FBIS DAILY REPORT

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GRINSPUN ADDRESSES NATION ON ECONOMIC MEASURES

PY200221 Buenos Aires Domestic Television in Spanish 0002 GMT 20 Jul 84

[Economy Minister Bernardo Grinspun's speech to the nation from his Buenos Aires office on 19 July -- live or recorded]

[Excerpts] Fellow countrymen, good evening, I want to thank you for watching me on your television sets. I will now deliver a message to you from the Economy Ministry regarding the country's economic situation and the measures we will adopt in the future to further the task for which all Argentines have struggled since 10 December 1983.

It will not be possible to understand the economic events that have taken place under this constitutional government or the actions that will be taken in the future without referring at least briefly, to the situation prevailing when this government took office.

The worst economic problem we inherited from the previous government was perhaps the disorganization and destruction of the system for the production of goods and services. The country's infrastructural facilities were in terrible condition and were a major stumbling block to our development.

The economic policy implemented by the previous regime affected the interests of national enterprises, especially medium- and small-sized enterprises. Several industrial enterprises had to close down. Entire industrial sectors virtually disappeared and others were seriously shaken by the closure of some enterprises, thus undermining the chain of production. Other enterprises managed to survive, but they were left behind in the technological race because of their failure to renew their equipment, and they thus became unable to compete in an increasingly mechanized world.

Our monetary reserves situation was also critical. As of close of business on 9 December 1983, the Central Bank's total available reserves amounted to only $102 million, which was lower than the net debt balance of Argentine public institutions with New York creditors on that same day.

Principal payments to be made in 1984 are estimated at $7.5 billion in the public sector alone and there is approximately $5.5 billion in interest payments for both the public and private debt. A stand-by loan agreement signed by the previous government with the IMF was virtually rescinded because of our failure to meet our commitments, which prompted our decision to ultimately cancel it. Despite all these problems, our trade balance surplus totaled $3,336,000,000 in 1983.

Public mismanagement, excessive fiscal expenses, poor collection of taxes, and a large increase in the budget deficit were also major factors in expanding the monetary base. In December 1983 the Argentine Treasury was able to finance only 22 percent of our expenditures with our own resources. During the first quarter of 1984, this percentage rose to an average of 36 percent, and during the second quarter, it rose to 53 percent. In comparative terms, in June 1984 the drop in our financing needs was a major factor in reducing the expansion of the monetary base. Thus, the expansion of the monetary base decreased from an average of 25.5 percent during the period December 1983-January 1984 to an average of 12.8 percent during the period May-June 1984; that is, the expansion of the monetary base was reduced by half. It is understood here that the monetary base consists of the issuance of currency, current-account deposits, and time and fixed deposits.

The great effort made by the country over a short time should be appreciated even more if one takes into account that during that period two-thirds of the monetary expansion was necessary to refinance the required monetary regulation quota and to raise the liquid availability of foreign currency in the Central Bank; the monetary expansion was not caused by a fiscal deficit. The presidential slogan of austerity without recession is being followed in the manner I described, and the success we have had stimulates us to proceed with the task in the future.

The country was badly damaged, not only in the economic aspect but in all other aspects of civilian activities. We know that the task of reconstruction is complex, and we also know that the consolidation of democracy in Argentina is to a great extent tied to the answer we give to the economic needs of the various sectors of our society. In the beginning, the constitutional government set down its fundamental objectives for reorganizing the system of production and distribution of goods and services, raising the level of employment and salaries of the working class, restoring business profitability, controlling the financial system, capitalizing state-run utility companies, privatizing state-run companies not fulfilling essential functions of the state, refinancing the foreign debt, scaling down the public sector, redirecting expenditures, and reducing the fiscal deficit. All of this aimed at balancing the internal sector and at bringing order to the external sector.

The executive branch spelled out its goals, aiming at increasing real salaries by 6-8 percent over the levels prevailing in late 1983, at achieving a GDP growth of no less than 5 percent in 1984, at attaining levels of exports and imports compatible with the announced levels of consumption and production, as well as with the announced effort to reduce inflation, taking into account not only the unusual phenomenons that are apparent to our perception on a daily basis, but digging to their deep roots in order to eradicate them definitively.

We know that this is a long and hard struggle, but we will not resort to recession, give in to dismay, nor let up on our efforts until we win this struggle. We have said and we reassert that salaries will not represent the variable of adjustment for the Argentine economy, nor will the decapitalization of the productive sectors be used as a remedy. These are outmoded solutions thought up by minds active in the past, and they have always failed; they are politically difficult to apply and are socially dangerous when applied. Moreover, these solutions are economically wrong and morally despicable, because the country's dynamic sectors, upon which the brunt of the crisis has fallen, cannot be asked to bear the burden of the economic reconstruction of the country.

The first stage of the economic administration implemented by the constitutional government was focused on the one hand on the income policy, and on the other hand on reducing the fiscal deficit. It was necessary to restore the level of the real salary, but we knew that the growth of effective demand could not be effectively met with little production, with a broken productive apparatus, and with a faulty and oligopolistic marketing method without provoking greater distortions in the relative price system.

This becomes more evident if we take into account the inflationary process, which reached its maximum level during the last stages of the previous government and which became more serious in view of the depleted Treasury, which should have faced not only national expenditures but also those of the provincial and municipal sectors, which were dismantled to face year-end demands.

In order not to stop the granting of state services, we had to resort to the financing of the Central Bank through a very highly expanded level of the monetary base. To counteract the predictable effects, we resorted to the price policy prepared by the country's commerce secretariat, disregarding its deficiencies and limitations due to the precariousness of available means and the lack of an effective administrative organization to achieve its objective.

Nevertheless, we have fulfilled a task whose objective has been not only to curb unlawful increases but also to guarantee a continuous, growing, and diversified supply of goods and services to all consumers throughout the country.

Regarding the salary policy, the priorities have been established in the following order: increasing the employment level, protecting the family group, and relatively improving the sectors with lower income levels. According to the results obtained, unemployment, which a year ago was a social calamity, now is no longer a critical problem. Family allowances, which at the time of the assumption of power by the constitutional government amounted to 50 pesos per wife, 150 pesos per child, and 60 pesos for education, have been increased today to 500 pesos per wife and child and 200 for education; in other words, a considerable increase of more than 40 percent for a typical family.

Regarding the minimum salary, it increased from 1,080 pesos in November 1983 to 8,500 pesos in July 1984, an increase of almost 700 percent. The government has maintained and has faithfully fulfilled its objective. In addition to the high salary increase granted to the wage earners according to the guidelines established in due time, several other dispositions were signed establishing a readjustment of 4 percent in real terms for those who had not received any increase during the period between January and June 1984.

The government has not only been concerned about improving the level of employment and of retribution but also about preparing a number of additional measures seeking to improve the living standards of the poorest sectors of our society.

In this respect, we have decided to increase our expenditures in the public health and education sectors by 53 percent and 22 percent, respectively. Additionally, nearly 30 percent of the entire budget of the Public Health and Social Action Ministry has been earmarked for financing the National Food Plan, which is being implemented to benefit 700,000 families in the most needy sectors of our society, because their income is not sufficient to cover their basic food needs in our Argentina, a major producer of wheat and meat.

Our efforts are aimed at achieving these objectives, these goals: more jobs, better distribution, better education, better health, and better food.

Housing is a priority sector where, despite the progress made, tangible achievements have not yet reached the levels desired by the people and the Government of Argentina. Perhaps more than in any other sector, one can see in the housing sector the negative effects of past policies. The deficit in housing units is estimated at 2.5 million. In today's Argentina to finance inexpensive housing means to expand the monetary base, because these have to be financed with long-term loans at low interest rates. And we cannot push this expansion too far under the present cicumstances.

The Housing Secretariat and the National Mortgage Bank have designed plans that will be implemented as soon as the financial system is established and it becomes certain that this will not be another factor in bringing monetary and fiscal disorder. It is expected that the construction sector, which has a strong multiplying effect, will be a dynamic factor in promoting economic growth.

Furthermore, all Argentines have made a great effort in the foreign sector. Proof of this is our estimated export volume which totaled $4.73 billion during the first 6 months of this year while our imports for this same period totaled only $1.93 billion. Thus we had a $2.8 billion surplus in our trade balance, the largest ever for a 6-month period in Argentine history. This achievement was made despite the fact that our primary export products are being sold at prices which average, in weighted percentages, 20 percent less than those prevailing 3 years ago.

Our trade balance surplus in relation to the GDP will total nearly 7 percent annually, a world record high percentage. This surplus and some financial operations have enabled the constitutional government to make foreign payments in the order of $5 billion from 10 December 1983 to 30 June 1984.

We sent a letter of intent to the IMF in which, from a nationalist standpoint and objectively considering the prospects of the Argentine economy, we requested IMF assistance in cooperating with us in our plan to adjust our economy without a recession.

We trust that the letter of intent will be recommended by IMF officials to the IMF Executive Board within the next few days. This will give us access to IMF resources; will favorably effect the negotiations that are under way with the Paris Club, negotiations whose preliminary steps are quite advanced; and will also favorably affect the negotiations with private banks. We have to renegotiate with private banks the payments of those obligations that had already come due when the constitutional government took over, and the payments on principal that will become due on 31 December 1984.

This adjustment will allow us to gradually lift the restrictions on payments on the external obligations inherited by the constitutional government, restrictions that still persist due to the prevailing circumstances.

This tremendous effort to repay our debt has been coupled with a gradual recovery of our liquidity, which has increasingly strengthened our solvency. Also, our voice has deserved consideration and respect. Along with other Latin American nations, we have let our voice be heard. The Consensus of Cartagena attests to our capability to have our opinion heard and our rights respected. It also attests to our ability to engage in a dialogue with the most powerful nations of the world to discuss, on an equal footing and with mutual respect, the creation of a new framework for debating the foreign debt problem and the difficulties arising from protectionism, which has hindered the access of our products to the markets of industrialized countries.

Concerning the various sectors of the economy, it should be pointed out that the expansion of demand during the first half of 1984 permitted a moderate growth of the industrial sector, mainly in those areas that were stimulated by a change in the distribution of income. Thus, it is estimated that the food, beverage, and tobacco producing sectors grew by more than 8 percent in the first half of 1984, while the textile clothing, and shoe manufacturing sectors grew by more than 10 percent. These figures are given in relation to the same period of the previous year.

The figures estimated on an annual basis permit us to state that the internal GNP, as had been foreseen, will grow by approximately 5 percent. This growth will result not only from the growth of the above-mentioned sectors but also from a change that took place in the machine and equipment building sector, a change that was brought about by a slight growth in investments, and from an expansion of the auto manufacturing sector which is expected to reach approximately 10 percent at the end of the year.

We have adopted suitable measures for the reactivation of regional economies. We had to improve the situation that we inherited by defending the relative price of locally made goods. Pursuant to this objective, we reduced export tariffs, opened credit lines at low rates through rediscounts for the financing and purchase of crops in coordination with the Central Bank, and restructured the state agencies in charge of the regulation of regional production.

Now we will talk about the future, beginning with the agricultural policy. The increase of production in the agricultural sector constitutes the central objective of the government's policy, which rests on two main pillars, namely, technology and profitability. The policy on agricultural technology will aim at a gradual and progressive increase of productivity in the production system so as to boost the natural advantages of the Argentine fields and herds, and to attain this objective it is necessary both to upgrade the technological agencies as was done with the National Institute of Agricultural Technology and to ensure a ready supply at competitive prices of industrial inputs required by modern agricultural production as was done in the fertilizers and herbicides plan. As for profitability, this depends on an appropriate combination between the prices at which the men in the field sell their products and the prices they must pay for the inputs their activity requires. In this regard, the government policy is to pay attention to the selling prices while trying to reduce the purchasing prices of inputs.

We are now going to talk about some aspects of the industrial policy. Argentine industry is characterized by two main aspects: First, production has decreased to the levels which prevailed more than 10 years ago, therefore there are numerous industries which are not working at full throttle, and second, there is a stagnation in investments for equipment and technology which has created a lack of technological development. This in turn also has caused a considerable part of the productive apparatus to become obsolete.

The fact that I am mentioning these two aspects does not mean that I am disregarding the importance of other aspects such as the skilled and unskilled professionals who left the country in recent years, the reduction of factory jobs, the disappearance of production lines, the lack of exploitation of the economies of scale and specialization, and the reduction of world demand for our country's manufactured products.

By recognizing all these elements we can say that the situation our industry is experiencing is not a temporary disturbance but a structural crisis. Therefore the idea is to make up for lost time and to do this Argentina has to struggle for reindustrialization and modernization of the current productive structure. Therefore it is necessary to analyze the situation of Argentine industry because we must now concentrate on top priorities, and project what Argentina can and must do in the industrial sector as soon as possible. Since we have to start with the understanding that we will not be able to be massively involved in all sectors it is important not to make the wrong medium- and long-range policies.

The definition of industrial policies should be based on three criteria: They need to satisfy unsatisfied social demands; they need to carry out a fast national technological development; and they need to contribute to overcoming the problems of the external sector.

We can then clearly see that one of the main goals which must be fulfilled in the battle for the reindustrialization and modernization of the current equipment is the construction of a technological development center which involves the creation of a scientific and technological infrastructure closely linked to the productive apparatus. Argentina has numerous human resources to do this, due to the high quality of workers, technicians, and professionals.

The government strategy in the industrial field recognizes three important aspects: First of all, from the beginning of this administration the government has stimulated the growth of production through the enlargement of the participation of the internal market. Second, a decision was made to carry out a medium-range policy of industrial reorganization in the sectors which have greater difficulties in adjusting themselves to the new circumstances created by the national and international situation. At the same time permanent stimulation will be given to the export of manufactured products. Then, within a long-range plan, stimulation will be given to lines of production which have a future in the local and international markets.

The policy of industrial reorganization and promotion involves the construction of a technological development center to help in a medium- and long-range plan, fulfill unsatisfied social demands, aid the development and dissemination of modern technology, and contribute to the solution of the external problems, which are real burdens on the national economy.

The role to be played by the various kinds of investors must be clearly understood. The government believes that the private sector must play an active role in the challenging industrial development process under way in the country. It must be clearly understood that the state does not intend to expand its role as producer and that it is determined to return to the private sector those companies that, for one reason or another, were taken over during the past few years.

It is worthwhile to note in this regard that based on the statements made by the president of the Republic in his 27 June speech, the state will promote direct foreign investments aimed at incorporating the kinds of technology the country needs and at promoting activities for which there is not enough national capital.

This does not mean that the state will not cooperate in this process. On the contrary, the state will play an active and firm role in the industrial reorganization and promotion process. In addition to establishing clear bargaining rules, particularly concerning relative prices and the costs of credits, the state will make use of its purchasing power through the development of multiannual investment projects that will give the private sector a clear view of the characteristics and amount of the supply in the public sector. The state will also stimulate the process of capital buildup by the private sector in the industrial field.

Since the industrial reorganization and promotion programs will require large investments and there are limited resources available to finance them, the state will particularly seek that these incentives benefit those activities that are of priority importance to the long-term industrial development plan and which will simultaneously contribute to a greater regional balance. It is necessary to stress that, contrary to what happened in the past, the private sector must increase its cooperation with the state-promoted investment projects by assuming the risks of industrial ventures. To attain this, it is necessary to have a better view of the existing situation and to place it within the framework of the main trends observed in the world economy.

We must take into account both the domestic and international situations in order to confront the Argentine industrial problem from a more realistic angle. In turn, this will make it possible to discuss and adopt industrial policies with the help of all economic and social sectors involved.

In addition to this, the government plans to adopt a set of measures, some of which are already being implemented. The most important of these measures are:

The reform of the industrial promotion law and the granting of incentives. These incentives which consist mainly of long-term credits at preferential rates and of gradual differential reductions in the payments of taxes on capital and income, according to regions, must be granted primarily for the industrialization of agricultural resources, oil, and gas, and for the development of industries that produce capital goods.

Industrial reorganization: Through the enactment of specific rules and the assignment of the corresponding institutional responsibilities, the government will promote the discussion and adoption of the industrial reorganization program along with representative labor and business organizations and the enterprises involved. The import program will be aimed at promoting the production of goods which are not produced in the country and which are of interest to the state. It will also aim at adequately protecting national products. The government will give a different treatment to luxury goods and to imported products which the state is not interested in producing locally.

Tax reform: Based on the aforementioned principles, the government will reform the tax system by trying, in all cases, to attain a reasonable level of effective protection.

Promotion of industrial exports: The export promotion law, which will be enacted soon, will be designed to create better conditions and to give more guarantees to exporters by giving priority to the stimulation of exports that have a considerable value added and a high level of national technology.

During my administration, I want Argentina to make great progress in the exportation of industrial products. To attain this, I pledge to give special consideration to any serious projects aimed at this objective.

Purchasing power of the state: The state's purchasing power will be rechanneled through the effective implementation of existing rules and buy-national and buy-Argentine products, and particularly through the adoption of multiannual purchase plans in the capital-goods producing sector.

Technological policy: The government will promote the production of local technology to replace its importation by stimulating research studies and the development of the corresponding companies and institutions. To attain this, the government will enact adequate rules and modify the law on transfer of technology.

Financial authority will be restored to the National Institute of Industrial Technology. This will be the first measure to promote the use and local production of new technology.

Inputs and components: Rules will be enacted to attain a greater standardization of inputs and components aimed at using the economy of scale and the operational efficiency of factories.

The price policy must be viewed within the broad framework of the income policy. We have inherited an uncontrolled inflationary process with strong underlying economic imbalances evidenced in a retrogression of supply. This situation undoubtedly reflects a disorderly struggle for the distribution of income.

The main purpose of the control we are keeping has been and continues to be the correction of this struggle between economic sectors in order to prevent this from hindering growth.

We are aware that competitive markets with free prices is an ideal solution, but unfortunately, our situation is different because we have an imperfect market which considerably restricts competition.

This is part of the Argentine economy now. This does not only involve the existence of limited competition and even monopolies in the supply of certain products but more limited competition with other countries with regard to control over imports, the lack of clarity of markets, imperfect commercial circuits, andn the reduction of demand after years of stagnation.

Also I cannot fail to point out the growing importance of the demands of the people, and the activation of inflationary pressures which play a negative role on demand. Therefore, in order to prevent demand from accelerating inflation, price controls must play an active role. This is why the intervention of the state in this field is necessary.

Once the tendencies of profound imbalances have been reversed by improving supplies in the different markets and normalizing the supply of basic inputs, including the imported ones, we must enter a new stage in which an important role will be played by social participation, the responsibility of businessmen, in which we will seek sectorial consensus and the improvement of distribution channels.

We have labeled this state or phase of the price polices as prices administered under the cost control system. At the same time and in order to facilitate social participation in the market, the system of maximum prices and articles for family consumption, which will be fixed in accordance with the general critertion used in price policies, will be maintained.

This general policy has been made in agreement with the enterprises which must keep a fluid supply of products in the markets to satisfy needs. The agreements reached with the various sectors, some of which are already in effect, will allow the enterprises to recover within a reasonable time from the lower prices on their products fixed at the time of the agreement. This situation emerges for various reasons. This difference in price is the result of the relationship between the prices approved by the Commerce Secretariat and the prices approved in accordance with the regulations to be established. The Commerce Secretariat will initially keep the people informed on the system, but the verification of the strict compliance with the established regulations will be carried out later.

Resolution 360 of the Commerce Secretariat will be maintained. This resolution says that the enterprises which increase salaries above the guidelines established by the government must observe the principles established in this resolution. Any enterprise that does not fulfill any of the agreements reached will be punished by the regulations established in the supply law.

The national tax system at the beginning of the present administration can be described by its two most important characteristics: a high level of tax evasion and a strong regression of the system. At this time we shall not expand on the reasons that are generally pointed out as the causes for tax evasion. But we must note that it is unacceptable to continue under the present situation. This is why we have implemented a series of measures aimed at closing the gap, which because of its magnitude, is a true scourge that must be eradicated if the economy is to operate in a reasonable manner like that of any civilized society.

In keeping with the income guidelines of the economic plan, the 1984 budget provides for a marked redistribution of public expenditures. The programs and measures adopted in the health, housing, and education sectors have increased their financial resources in real terms.

In the health sector, we must point out the increase in funds allocated to the national hospital network and the new funds that will be assigned to equip and to strengthen the infrastructure of the provincial hospital network.

In the housing sector, the corresponding plan foresees the building of 42,000 houses with financing guaranteed by the National Housing Fund system.

Another far-reaching social project is the National Food Plan, and the adoption of emergency measures in favor of poor families. A total of $140 million will be earmarked for this project.

We believe that this redistribution of expenses will make it possible to redress the situation of people who have been affected by the drop in employment and wages prompted by the policies adopted by the previous administration. At the same time the redistribution of public expenditures I have mentioned is expected to impact on the level of domestic economic activity, and this will not exacerbate Argentina's problems in buying foreign products because every unit of domestic finished products only requires a small amount of imported inputs.

In the second place, the government has started to draft a multiannual public expenditure program by carefully evaluating priorities in each sector. Contributions for this year reflect the financial limitations that the public sector is confronting. Expenditures are increased in the basic services sector in real terms by about 15 percent, although the overall real investment in the public sector is low compared to the average invested in this sector over the last decade.

This is in keeping with a strong savings program which reflects changes in the allotments of each sector and which grants priority to those undertakings already under way since their eventual suspension will result in greater costs than that which we want to allow.

Regarding government enterprises, it has been established that the National Treasury will only grant financial support to the National Railroad Company, National Enterprise for Mail and Telegraph, and military industries, while all other companies will be financed through their own incomes.

Moreover, the government will continue to supply financing to the National Commission for Atomic Energy so that it may continue to develop all the research programs it has undertaken. However, budget limitations will cause a delay in the schedule of these programs; but without affecting important technological developments.

The financial system is still strongly distorted as a result of the policies implemented by the previous government. The democratic government has carried out a reorganization which will be made even more effective in the following months. The large fiscal deficit created in the past a large monetary expansion which accelerated inflation. At the same time credits to the private sector were restricted not only to finance medium-range projects but also to finance the working capital needed by enterprises.

The reduction of the fiscal deficit during the first 6 months of the constitutional government is helping to reduce the overall rhythm of monetary expansion while at the same time increasing credits to the private sector in order to make it compatible with the enterprises' greater need for working capital due to the noticeable recovery of economic activity these past six months.

The low level of financing in the economy, which at the same time increases the inflationary pressures created by monetary expansion, obstructs the normal operation of the financial system. However, the coefficient of financing cannot be increased as it was done in the past through the application of positive real interest rates because this can negatively affect the productive apparatus.

This means that financing in the economy will be a process which will accompany the reduction of inflation. Also the complete liberalization of interest rates at the current inflationary rhythm would create uncertainty and increase real interest rates to very high and fluctuating levels which in turn would create a negative effect, particularly on the economy.

Argentine foreign trade must develop in keeping with the present difficult international economic situation, which has caused a decrease in overall trade, and with the increase of protectionist measures that are mainly implemented by industrialized countries.

This situation is further undermined by the serious deterioration of trade over the past few years which was caused by strong contraction in the demand for our basic exports as a result of the strong protectionist measures adopted by main industrialized countries.

Although there are signs that we are overcoming the present international recession, it is not foreseen that the prices of these exports will rapidly return to the levels they enjoyed 3 or 4 years ago. In addition, we must note the displacement of our traditional exports from several markets due to competition posed by subsidized exports and the mid-term financing under preferential conditions of primary products by developed countries.

In this context and in view of the difficult situation that the trade sector is confronting, we have established that our main objective is to increase and diversify the exports of goods and services. In addition to the specific measures we are adopting in this regard, we reassert that the exchange rate will not be used as an adjustment variable. In other words, the pace of the devaluation of the peso will accompany the evolution of domestic costs. In a country that has experienced drastic changes in relative prices, this decision will safeguard exports and will promote development.

The Argentine Government will continue to defend the exports of national enterprises whenever they are subjected to discrimination in international markets. We shall double our efforts to promote inter-American integration and particularly our ties with developing countries. Moreover, we shall continue to promote trade with all countries of the world without making any political discrimination.

All those policies I have just mentioned tend to increase the level of production, of demand, of investment, and of technology, and to safeguard private profits in the same manner in which we shall invariably uphold our commitment to increase real salaries, family allotments, retirement funds, and to improve all those services rendered by the state, particularly those pertaining to housing, education, and health.

But just as the government can show positive evidence and optimistic prospects regarding government policies, income policy, economic recovery, and trade, it is obvious that it has not yet achieved its objective of curbing inflation. On the contrary and despite the measures that have been adopted, the inflation rate has totaled about 17 percent every month since a year ago and we have been unable to decrease it from that level.

But we believe that we are on the right path and we shall continue to follow it since we know that a decrease in the inflation rate will be achieved soon if we are able to increase production, stimulate demand, decrease public expenditures and the government deficit, achieve a better distribution of resources, implement a financial reorganization that will place the system at the service of production, stimulate savings and channel it to productive investments through a healthy banking system, and expand activities of stocks markets throughout the country.

All this is being implemented through the proper sectors. It is a great effort but we trust that Argentina will be capable of achieving these goals. The government has established the path it will follow, but it knows it cannot do it alone. The government needs consensus based on equality and joint efforts.

This is how we, all Argentines, will make progress. I am certain that we will reconstruct the country through unity and solidarity. I also know that after we reorganize the economy, the enormous productive potential of the country will be set free, thus stimulating growth and a more just distribution of wealth and strengthening the material foundation of the nation. In turn, this will help to establish an everlasting participative, strong, modern, and efficient democracy, which is the new Argentine democracy.

Thank you very much and good night.

Government Sources Comment

PY231424 Buenos Aires Domestic Service in Spanish 1030 GMT 23 Jul 84

[Text] Government sources have reported that economic decisions could be made this week based on the criticisms of the speech Economy Minister Bernardo Grinspun delivered on Thursday. The sources said that these decisions would not result in the immediate implementation of any concrete measures, but they did say that a critical analysis of the speech would be made and that based on it the highest level of government could issue precise instructions.

Political Leaders, Businessmen React

PY202202 Buenos Aires DYN in Spanish 1224 GMT 20 Jul 84

[Text] Buenos Aires, 20 Jul (DYN) -- The speech Economy Minister Bernardo Grinspun made last night has elicited contradictory opinions from politicians and businessmen. However, they all agreed that the minister did not announce any concrete measures.

Roberto Favelevich, president of the Argentine Industrial Union (UIA), said that "we are aware of the historic aspects of the economic situation" Grinspun reviewed, but he stressed that "Grinspun did not give enough detail about how the government will implement the measures he announced." The UIA head added: "I think the secretaries of each ministry will make supplementary speeches to give concrete details about the implementation of some of the measures announced by Grinspun."

Alberto Benegas Lynch, president of the National Republican Assembly [Encuentro Nacional Republicano], said that Grinspun's speech "points to an excessively state-controlled policy which will meddle more and more in activities that are of a private nature under the Constitution." He added that "we expected a positive rectification of the course of the economic and financial policies. Moreover, his speech did not include adequate measures to attract the necessary capital and it did not create confidence" in the possibilities for development.

Justicialist Deputy Diego Guelar maintained that "unfortunately the minister's speech contained no news." He added that "the government is continuing to talk about a consensus, but it is becoming more isolated and detached from the social sectors that should participate in this consensus." As regards the announced tax measures, he said: "I do not believe that the only or the most important link between the government and the various sectors is the General Directorate of Taxation." He stressed that "obviously this will not be the basis for an emergency plan and the required consensus. I really think that it is the repetition of a gross error and that Minister Grinspun is one of its main authors."

Miguel Gorelik, president of the Argentine Meat Industries Association, said that the economy minister's speech "did not meet our expectations," adding that "the announcement of the fight against tax evasion was encouraging." However, he made it clear that "Grinspun did not put enough emphasis on public expenditures, because efforts must be made to reduce the defecit in order to diminish the high tax burden on those people who do pay taxes."

However, Integration and Development Movement leader Rogelio Frigerio was harshly critical of Grinspun's speech, stating that "the speech proved that the government does not have a plan to confront the serious Argentine crisis." He stated that on the contrary the national authorities "intend to continue implementing the same economic policy that has prevailed in the country over the past few years" and that "inflation will continue growing as a consequence of the real increase of state expenditures."

Rolando Pietrantueno, vice president of the Argentine Industry Council, stated that Grinspun made "an exposition of the guidelines of the economic policy, but his speech was not complete because it lacked instruments such as those related to the budget and to the granting of resources."

Alvaro Alsogaray, president of and deputy for the Union of Democratic Center, was harshly critical of the speech. He said that the minister's speech "disappointed everyone completely and did not meet expectations, because he limited himself to repeating the same old litany" and that "the superficial content of the speech is an offense to the intelligent Argentine people." He added: "The minister seems to be living on a fantasy island. He seems to think that by announcing intentions and expressing confidence in the sacred wisdom of his state concepts all problems will be solved. Unfortunately, these illusions will soon be frustrated by harsh reality."

Roberto Sanmartino, vice president of the Argentine Construction Chamber, stated that "within an institutional framework and considering the difficult situation, the speech he made is acceptable, although he seems a little optimistic in relation to reality."

Carlos Auyero, the leader of the Christian Democratic Party, stated that "Grinspun's speech was just another statement of mere wishes and occasional proposals, aggravated by the evidence of the considerable delay in implementing new tax instruments for the reactivation of industry, exports, and the financial policy."

CGT Rejects Economic Plan

PY202337 Buenos Aires TELAM in Spanish 2246 GMT 20 Jul 84

[Text] Buenos Aires, 20 Jul (TELAM) -- According to a communique released today by the unified General Confederation of Labor, [CGT] it rejects the economic plan announced last night by Economy Minister Bernardo Grinspun. It feels that the plan includes monetarist measures that are in accord with the recessive formulas imposed by the IMF.

The CGT also called on all national sectors to prepare an economic program that will guarantee national independence, and added that there will be no economic take-off without the basic support of a worthy salary.

The CGT added in its communique that the announcements made by the government flatly admit that it intends to continue with the economic policy imposed by Martinez de Hoz' [an economy minister in the military regimes] nefarious policies.

ALFONSIN REJECTS GRINSPUN RESIGNATION REQUEST

PY231345 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1236 GMT 23 Jul 84

[Text] Buenos Aires, 23 Jul (NA) -- According to press reports published today, President Alfonsin has rejected, in a tone that "left room for doubt," a verbal resignation submitted by Economy Minister Bernardo Grinspun.

Grinspun reportedly resigned in the wake of "serious objections" by President Alfonsin to the initial version of his speech on the economy, which was totally modified before Grinspun delivered it last Thursday. President Alfonsin canceled 12 pages of the second version and on authorizing its broadcast, he ordered that it be broadcast only by Argentina Televisora Color and Radio Nacional, and not by the official radio and television network.

Today the dailies LA NACION and CLARIN reported on Grinspun's resignation and its rejection by Alfonsin. According to LA NACION, Alfonsin "reportedly did not reject Grinspun's resignation in a tone that could be described as categorical or final." CLARIN reported that Grinspun resigned after "a long discussion" with Alfonsin regarding the initial version of the speech.

It pointed out that Alfonsin's "serious objections" prompted "an extensive exchange of contradictory views" at the end of which Grinspun "told Alfonsin his decision to tender his resignation in order to solve the problem."

CLARIN concluded by stating that "according to sources, Alfonsin rejected Grinspun's verbal resignation in a tone that left room for doubt."

CAPUTO MEETS PEREZ DE CUELLAR, VIEWS UK TALKS

PY231410 Buenos Aires Domestic Service in Spanish 1030 GMT 23 Jul 84

[Text] Argentine Foreign Minister Dante Caputo yesterday held a 40-minute meeting with UN Secretary General Javier Perez de Cuellar.

At the end of the meeting, Caputo reasserted the willingness of Raul Alfonsin's government to hold negotiations on the Malvinas conflict, adding that now this is impossible because of Margaret Thatcher's intransigence.

Caputo will today be received by George Shultz.

SOVIET OFFICIAL SUPPORTS FALKLANDS STAND

PY231539 Buenos Aires DYN in Spanish 1427 GMT 23 Jul 84

[Text] Buenos Aires, 23 Jul (DYN) -- Yuriy Fokin, secretary general of the Soviet Foreign Affairs Ministry, asserted here today that the Soviet Government advocates "an end to all colonialist situations" in the world. He also criticized Great Britain's intransigence over the Malvinas Islands issue and he regretted the interruption of the Argentine-British talks in Bern.

Fokin made these comments at Ezeiza airport shortly after arriving in Buenos Aires to analyze with Argentine authorities the status of bilateral relations and matters concerning the upcoming UN General Assembly meeting.

The Soviet official said that Argentina and the Soviet Union hold bilateral talks regularly, explaining that "they are held in Buenos Aires one year and in Moscow the next." He stressed that "it is very important for the USSR to know Argentina's views on international issues, particularly now that the situation is so difficult and complicated."

Asked whether the USSR would support the Argentine claims over the Malvinas Islands, Fokin said that "the USSR has always supported Argentina in the South Atlantic conflict." He said that "you know that the USSR has always been in favor of a negotiated solution to the Malvinas conflict. We are against the British colonial adventure." He added that "we regret" the interruption of the Argentine-British talks in Bern.

Fokin, who talked with journalists in the presence of Soviet Ambassador in Buenos Aires Oleg Kvasov, condemned the intransigent British position over the Malvinas conflict. He concluded by stating: "I repeat, we advocate an end to all colonialist and conflictive situations. It is a pity that the two parties have missed this opportunity to resolve the conflict through talks."

PLEBISCITE CONSIDERED ON BEAGLE ACCORD

PY232130 Buenos Aires BUENOS AIRES HERALD in English 23 Jul 84 p 7

[Text] (NA) -- The government could call a national plebiscite to obtain public support for a possible accord with Chile on the Beagle Channel conflict, a reliable government source said yesterday. President Raul Alfonsin is "seeking a way to have public opinion ratify" a possible treaty with Chile, the source said.

The source added that Argentina is more interested that Chile in reaching an accord through the mediation of Pope John Paul II, since Chile can still fall back on the World Court ruling in favour of its territorial demands.

Meanwhile, a report by the daily IDARIO POPULAR claimed that the president has provided the Army, Air Force and Navy chiefs of staff with details on the progress of the Beagle negotiations since the constitutional government took office.

ADOPTION OF 'CRAWLING' DEVALUATION ANNOUNCED

PY211313 Buenos Aires BUENOS AIRES HERALD in English 20 Jul 84 p 7

[Text] (NA) -- Argentina will adopt a crawling peg devaluation to devalue the peso by 15 to 20 percent per month over the next four months instead of an abrupt devaluation by the same amount as demanded by the International Monetary Fund (IMF), informed sources said yesterday.

The sources said Argentine officials told IMF officials here for talks, however, the peso would be devalued by three or four percentage points more than the monthly increase in domestic prices instead of the current rate of 0.75 percent daily, which rounds off at about 17.87 percent per month. This would be in keeping with demands by exporters of manufactured goods who claimed the dollar rate had been dragging far behind in recent months, the sources said.

They said Argentina agreed to a demand by the IMF to liberate the transfer abroad of items such as interests, dividends, and royalties, but this would not be implemented immediately. The two sides have still not reached agreement on monetary expansion, the sources said. While the IMF wanted the issuing of currency to be well below price increases in order to act as a recessive factor, Argentina insisted monetary expansion should at least keep abreast of the inflationary process.

DEBT WITH BOLIVIA TO BE REPAID IN KIND

PY240240 Paris AFP in Spanish 2134 GMT 23 Jul 84

[Text] La Paz, 23 Jul (AFP) -- Local government sources indicated here today that Argentina will repay its $110-million debt to Bolivia in commodities.

This information caused considerable concern in Bolivian financial circles because the sale of gas to Argentina has become the only sure source of hard currency that Bolivia has. However, it was pointed out that Argentina's economic situation is as bad or even worse than Bolivia's, which means that its capacity for paying in U.S. dollars is practically nonexistent.

COLUMNIST VIEWS FOREIGN POLICY, U.S. RELATIONS

PY210214 Buenos Aires LA PRENSA in Spanish 18 Jul 84 pp 1, 8

[Column by J. Iglesias Rouco: "Relations With Washington"]

[Text] Mr Caputo's upcoming visit to the United States will take place at a time of apparent changes, which we hope will be real ones, and this should induce us to think about the important questions of our foreign policy and about our relations with the United States in the first place.

The first observation that can be made after 7 months of constitutional government is that we have wasted time in the area of our relations with the United States. Perhaps that is precisely why Mr Caputo and Mr Grinspun now feel constrained to pay so much attention to the North Americans. For instance, Argentina was never in a better position to renegotiate its foreign debt than it was in November-December 1983. After Mr Wehbe's [economy minister preceding Grinspun] talks with the IMF and the U.S. Government, only the setting of an interest rate was needed to close the renegotiation of the foreign debt, and at that time, in the wake of the favorable expectations created by the triumph of Alfonsin, that interest rates would have been much lower than the one that would now be obtained. Mr Wehbe, who did not hesitate to help on the touchy question of the Latin American Bank, proposed to Mr Grinspun that he would assume responsibility for the agreement with the IMF. That would have spared us the shameful arrangement made in March with four Latin American countries just as poor or poorer than Argentina that acted as lenders, and with the U.S. Treasury at that.

The interest rate hike that came later and those that are bound to come throughout the remainder of this year will only add to the Argentine "risk." Despite the fact that Washington had expected a Peronist triumph, the weight of the 52 percent of the votes cast for Alfonsin which began to be felt in November or December could have persuaded the Department of State and the White House to pay more attention to the Argentine claim over the Malvinas and to the Argentine protest over U.S. trade protectionism if only they had been presented in the context of a global strategic policy with adequate counter offers. At that time, no one had yet heard the speeches of Mr Alfonsin and Mr Caputo about Nicaragua and the "villainous" banks. Neither at that time had Grinspun's incorrect inflationary projections and the government's weakness in the face of the old labor-military pact become apparent. But Buenos Aires preferred to invest its limited time, and its no less limited power, in futile demagogy.

There remains, however, good ground to seek understanding provided the Alfonsin government can clearly communicate its objectives to Washington; that is, provided it realizes exactly what Argentina can receive from the United States and what Argentina can give in return. And this should be done with an eye on the medium and long term as required by the authentic national interest, and by adopting an open and frank attitude that can make lasting commitments possible. In our opinion, the search for agreements should be based on the following considerations:

1. During these months Washington has not changed by one iota its basic demands regarding Argentina. In the first place, it demands assurance regarding the development of our nuclear program for civilian and peaceful purposes exclusively; because, otherwise, this program could set off a chain reaction of destabilization in the continent, just like the nuclear program of Brazil and other Latin American nations.

In Washington's eyes, the Tlatelolco Treaty constitutes a universally valid political guarantee, an especially desirable guarantee which, incidentally, does not preclude special systems of mutual control in areas of the continent where nuclear development is at an advanced stage. The cutbacks in the budget of the National Atomic Energy Commission (for instance, the Ezeiza and the Pilcaniyeu plants which are almost at a standstill) have probably brought some tranquillity to Washington. This topic, however, demands broad treatment, including not only the possibility of manufacturing "the bomb" but also the exportation of technology: We Argentines also ought to ask ourselves whether the economic and political effort in the nuclear field is justifiable in the face of our vast hydroelectric resources, which can be tapped for another 30 years.

The U.S. agenda next includes the problems of the Malvinas; the Beagle Channel; Central America; the growing Soviet penetration in the hemisphere, including the south seas, whether directly or through terrorist organizations like the Shining Path; and drug trafficking (clandestine drug processing plants might not exist only in Bolivia but also in Salta, and the drug traffickers' route might be running through a large portion of Argentine territory). The Malvinas problem, obviously, poses for the United States and its Latin American policy a serious contradiction in the continent, and it may even cause a rupture that would only be another opening for Soviet penetration. The Beagle Channel conflict and Argentine-Chilean border disputes are also a part of the picture, although a smaller part. Consequently, the peaceful solution to the Argentine-British dispute is a priority for Washington, followed by the preservation on the international monetary and financial system (based on the IMF scheme) and the noninterference of Buenos Aires at least in the Central American crisis.

2. No doubt some of the U.S. wishes go hand in hand with vital Argentine interests unrelated to those of Washington, such as, for instance, the case of Central America, which in addition to its potential capacity for "exporting" Cuban and Nicaraguan terrorism, poses other complications such as the current confrontation between the Sandinist regime on one side and the church and the Vatican on the other. Consequently, setting aside Washington's selfish motives, that confrontation is an argument not only against any military escalation in the region but also against any intervention from Buenos Aires in favor of the Sandinists. From this perspective, the commercial credits granted to Managua and Havana for $45 million and hundreds of millions of dollars, respectively, were mistakes that should not be repeated. The point here is that we must know what we can receive from the United States in exchange for a strategic alignment-on its side; more precisely, we must know what we can receive from the United States at this time. We believe that we can expect three things:

a. Technological transfers through government-to-government agreements during an initial phase, and through agreements with U.S. private enterprises in a second phase (and this is why we need to reach an agreement with our creditors); the opening of the U.S. market, that is, the lowering of customs barriers by Washington to permit the entry of Argentine products; and in the present circumstances the political backing of the U.S. Treasury and Federal Reserve for the renegotiation of our foreign debt.

b. Support for the Argentine claim over the Malvinas and, more important yet, for Argentina's incorporation into the military structure the West is setting up in the southern zone so that we can protect our continental territory to the south and ensure our presence in the Antarctic. Putting it another way, everything that might be done there by Great Britain, Chile, Brazil, South Africa, and the United States as well will not be done behind Argentina's back or against it.

c. More equity on Washington's part in the distribution of political and industrial "prerogatives" in the southern cone so that not only Brazil will be its "privileged" ally here. As far as we know, Mr Alfonsin felt "betrayed" (he may have said so to friends) early this year when Brasilia and Washington signed a military-industrial agreement that is nothing but a reenactment of Kissinger's old script for South America. Since this script is somewhat faded because of the political and social uncertainties in Brazil's near future, this point should not only be of interest for Argentina but for the United States as well.

The analysis of our relations with Washington and the possibilities of those relations would be incomplete without posing the question of what would happen if the Argentine Government should decide to take another tack, that is, to cool these relations (they could always be cooler), or even break them off. From our viewpoint, this would happen:

1. Argentina's isolation would increase, both among the "central powers" and in the southern cone, where pressures from Chile and Brazil would mount.

2. Even without an open alignment of Argentina with the Soviet Union, the southern zone would be more vulnerable to Soviet penetration and it would thus be transformed into a "hot zone," considering that the European and the North Americans have interests in Antarctica and in the Atlantic naviation routes (and the British have interests in their large investment in the Malvinas). Any confrontation would have direct repercussions on Argentine territory, regardless of the size of the forces in confrontation and of the results of it.

3. Argentine trade with the Soviet Union or with the Third World could be seriously hurt because our grain exports depend on U.S. prices which, in turn, depend on political considerations rather than strictly economic factors. The United States has an economy that permits the use of exports and imports for strategic purposes. something Europe and Japan cannot do. On the contrary, Argentina's political and military alignment with the West will not impede trading with the Soviet Union (except in the case of a widespread conflict), for the simple reason that this trade is more vital for the Soviet Union than for ourselves. This is the choice we have in this regard: If Argentina wants to take advantage of trading with the East, it should guarantee to the West that the country will not become a food stockpile for the Soviets, and this guarantee will only emerge from a pro-West commitment by Argentina. We can put it this way: We can demand from the North Americans that they let us sell a quota of our grain to the Soviet Union and other countries, according to our needs, but we cannot feed the Soviets in disregard of the vital strategic interests of the North Americans.

We believe that if these considerations are ignored, diplomatic gestures alone, like the one this new Caputo trip implies, and even less promises that are soon forgotten, will only represent more waste of time and new complications with Washington.

SILES ZUAZO SAYS CABINET CHANGES PROBABLE

WA241624 Rome IPS in English 19 Jul 84

[Text] La Paz, July 19 (IPS) -- Bolivian president Hernan Siles Zuazo is set to make several important cabinet changes, according to reports here today.

Political leaders in the Bolivian capital told IPS that Interior Minister Federico Alvarez Plata and Defense Minister Manuel Cardenas Mallo will be replaced.

Siles Zuazo reportedly informed the executive committee of the ruling Democratic People's Unity (UDP) that the cabinet changes will be announced on Aug 6, Bolivia's Independence day.

Alvarez Plata and Mallo, both leaders of Siles Zuazo's party, the Nationalist Revolutionary Movement of the Left (MNRI), have drawn severe criticism because of the kidnaping of Siles Zuazo on June 30.

The president was kidnaped and held for 10 hours in a botched coup attempt.

Critics charge that the interior and defense ministers failed to provide adequate security.

Mario Rueda Pena, who is now information minister, is expected to be named interior minister.

Another possible cabinet reshuffle may remove finance minister Oscar Bonifaz, who does not have support from the powerful Bolivian Labor Federation (COB).

The COB, which groups the main trade unions, maintains that Bonifaz objects to a COB-government accord which led to suspension of Bolivia's foreign debt payments to private banks.

But if Siles Zuazo replaces Bonifaz, he will have to negotiate with the Christian Democratic (DC) party, Bonifaz's group and a member of the ruling UDP alliance.

Other ministers of the Movement of the Revolutionary Left (MIR) and Bolivian Communist Party (PCB) may also be replaced.

MIR members now hold the planning, education, urban and housing ministries and the chief presidential adviser's post. The PCB has the labor and mining ministries.

But is those ministers are dismissed, they will be replaced with others from the same parties, according to reports, so the MIR and PCB maintain their presence in the cabinet.

FOREIGN DEBT PAYMENT POSTPONED 'INDEFINITELY'

PY231927 Madrid EFE in Spanish 1800 GMT 23 Jul 84

[Text] La Paz, 23 Jul (EFE) -- Bolivia is unable to pay its foreign debt because it does not have sufficient resources in its treasury, Finance Minister Oscar Bonifaz has stated.

Bonifaz said that the decision to postpone temporarily and indefinitely the payment of its foreign debt responds to an "imperative need" and "not to a political order, and much less to a deliberate desire to dishonor a commitment."

He added that "any Bolivian would rather feed the people than pay the debt," referring to the difficult economic situation affecting the majority of the population.

He made a call to the international community to understand the economic crisis that is afflicting Bolivia and to grant it new credits to give a push to the set of development programs and financial recovery. He added, however, that Bolivia must renegotiate the payment of its debt under favorable conditions once it succeeds in achieving a rational recovery of its impoverished economy.

Bonifaz, one of the most important national economic officials, stated that "Bolivia must do everything possible to pay its foreign debt, but it also must improve the living conditions of its people."

According to official data, this year Bolivia should pay $997 million on interest and principal. However, Bolivia expects to obtain only $850 million from its exports, mainly minerals.

Last week, President Hernan Siles Zuazo's government ratified its decision to temporarily postpone the payment of its debts, but a consortium of 128 international banks warned it to resume payments within a period of 90 days.

The powerful Bolivian Labor Federation (COB) has called on all national sectors to close ranks in order to confront any possible action by international banks against Bolivia for its decision to suspend payments on interest and principal. The Government fears that international creditors could begin a systematic economic blockade against Bolivia, considering it as an "insolvent nation."

DISCHARGED COLONEL DENIES KIDNAPPING INVOLVEMENT

PY231830 La Paz Cadena Panamericana in Spanish 1700 GMT 23 Jul 84

[Excerpt] Military officers are being unjustly discharged from the Armed Forces. In remarks to Radio Panamericana, Colonel Francisco Vazquez Aleman stated that he was unjustly discharged by the military authorities. Vazquez said that he was accused of masterminding the political events that took place on 30 June 1984 which started with the abduction of President Siles Zuazo.

Vazquez categorically denied his participation in those events. He attributed his discharge to personal intrigues.

STATE EMPLOYEES TO HOLD 72-HOUR STRIKE

PY231832 La Paz Radio Illimani Network in Spanish 1700 GMT 23 Jul 84

[Text] State employees will begin a 72-hour strike on Tuesday at 0000, according to Mario (Viveros), leader of the Federation of Public Employees of La Paz. (Viveros) said that the government has not complied with the agreement on state employee wages. State employees are insisting that they must earn the same as oil workers. (Viveros) also announced that at 1600 this afternoon, the federation's leaders will meet with the labor minister to discuss their wage claims and the wage agreement signed with the government.

FOREIGN MINISTER SARAIVA TO VISIT CHILE

PY240016 Brasilia Domestic Service in Portuguese 2200 GMT 23 Jul 84

[Text] In order to pursue the dialogue between Brazil and Chile, Brazilian Foreign Minister Ramiro Saraiva Guerreiro will travel to Chile on 24 July for a 3-day official visit. Saraiva Guerreiro will meet with Chilean President Augusto Pinochet and with his counterpart Jaime del Valle. He will also open a technological seminar sponsored by Itamaraty, the Scientific and Technological Council, and the Funding Authority for Sutides and Projects [FINEP]. The foreign minister will return to Brazil on 27 July.

FIGUEIREDO ATTEMPT TO REUNITE PDS SAID TO FAIL

PY231518 Sao Paulo Radio Bandierantes Network in Portuguese 1000 GMT 23 Jul 84

[Text] President Figueriedo has made perhaps the last attempt to reunite the ruling party, at least verbally. After a 3-and-1/2-hour meeting, the attempt failed completely. The Social Democratic Party [PDS] governors showed the signs of failure on their faces as they left the houses of Minister Mario Andreazza and of Deputy Paulo Maluf in Brasilia. The situation is the same, with neither of the two PDS candidates for the convention that will designate President Figueiredo's successor willing to resign. Reporter Carlos Rodrigues has a further report on yesterday's meeting.

[Begin Rodrigues recording] President Figueiredo and the PDS governors made another attempt yesterday to unite the party, but they failed to convince Vice President Aureliano Chaves. President Figueiredo, Civilian Household Chief Leitao de Abreu, 20 governors, and 2 PDS vice governors held a meeting yesterday afternoon at Torto Farm, the official residence of the presidency, to discuss the crisis within the party, and the problem of voting at the Electoral College to elect Governor Tancredo Neves as opposition candidate.

Late in the afternoon, after lengthy talks, Leitao de Abreu, the government political coordinator, called Vice President Aureliano Chaves to Torto Farm. During his private discussion with Figueiredo, Chaves reaffirmed his position that the only possibility capable of uniting the PDS is the resignation of all presidential hopefuls. Without these resignations -- rejected by Maluf and Andreazza -- the Liberal Front headed by Chaves will continue seeking understanding with the opposition regarding Neves' candidacy. These talks for understanding will resume this weekend.

Yesterday's meeting at Torto Farm did not yield the expected results. Chaves maintained his position, although the PDS political coordinators have not yet put an end to the matter. [end recording]

COLUMNIST ON COMMUNIST MEETING IN BUENOS AIRES

PY231720 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Jul 84 p 14

[Newton Carlos column: "Meeting of Latin American Communist Parties Discusses Strategy"]

[Text] The Communist Parties of Latin America recently met in Buenos Aires, but very little is known about their meeting. The small impression the meeting made reflects the little current importance of the participants. The Latin American Communist leaders are trying to regroup at a time of convulsed international relations, of cold war pressures exerted by U.S. President Ronald Reagan, and of a new Soviet leadership equally interested in a cold war, the first so inclined since Stalin.

Not long ago, the theoreticians of the Soviet Communist Party warned against deviations and demanded that other Communist Parties follow the Marxist-Leninist line. Strong hands are being applied against Poland and Afghanistan, creating a difficult situation that is hard for the Latin American Communist Parties to deal with. The Chilean Communist Party was the only one in the continent that immediately and "without hesitation" supported the invasion of Afghanistan, which has been condemned by the United Nations and the entire Third World. Even Cuba hesitated, and only when it was time to vote at the United Nations did it make up its mind, using the argument that in the face of a "historical dilemma," it could not side with "reactionism and imperialism," that is, with the United States.

In the face of the Reagan crusade, the Soviets want to see more discipline in their bloc. Available information, "which is still vague, tells of the existence of friction between the Soviets and Cubans. The Cubans attended the Buenos Aires meeting as observers, together with the Sandinists. The Soviets are said to be interested in increasing pressure on the United States over Central America, perhaps so that the pressures against them will diminish. The Cubans want to negotiate, and this could be seen when Fidel Castro did not attend the summit meeting of CEMA countries, limiting himself to sending a message to Chernenko in which he condemned the policy of areas of influence, a condemnation that is valid both for the United States and the Soviet Union.

One of the few things that has been learned about the Buenos Aires meeting is that the objective of the Latin American Communist Parties was to define a strategy for the "vigorous democratic mobilization" that is taking place in Latin America, particularly in the southern cone. Even the Chilean Communist Party, which follows the old Stalinist line and is still considering armed struggle as an option, contends that the choice now is between democracy and antidemocracy, which is what it said in its latest document. The Uruguayan Communist Party is following the same road, while the Argentine Communist Party is sorting out its gains and losses after its first experience in an electoral front with Peronism, its historical adversary. Although the triumph was Alfonsin's, the Argentine Communist Party is satisfied because, in the view of its leaders, it contributed to strengthening the redemocratization process in Argentina. This satisfaction points to the immediate goal that was set at the Buenos Aires meeting: To topple anticommunist dictatorships by forming common fronts with democratic forces, so that the Latin American Communist Parties may secure room for their actions, legally if possible.

The bitter experience with armed struggle, such as the one in Venezuela where Cuba was involved body and soul, was not forgotten; neither was the Allende tragedy of "peaceful transition to socialism." In view of these examples, it was decided that the Latin American Communist Parties would give priority to national independence. In 1975, Fidel Castro wrote that "the fundamental point is that conditions for socialist development will not exist as long as our countries do not free themselves from imperialism." The Communist Parties were thus advised to join "any revolutionary force, whether it is communist or not." Now "revolutionary fronts" are characteristic in the armed struggle in Central America. Jorge Handal, secretary general of the Salvadoran Communist Party, who participated in electoral disputes from 1966 through 1977 (three presidential and six congressional elections) before he took up arms, says this: The forms of struggle are determined by "the national and international conditions." This may have been the motto of the Buenos Aires meeting of the Latin American Communist Parties.

LABOR COORDINATING BOARD SUPPORTS STOPPAGE

PY231758 Madrid EFE in Spanish 1526 GMT 23 Jul 84

[Text] Santiago, 23 Jul (EFE) -- The National Labor Coordinating Board (CNS) headed by Manuel Bustos has agreed "to take several initiatives to bring into realization as soon as possible the first nationwide stoppage."

A total of 737 leaders of the CNS held their sixth meeting over the weekend at the Punta de Tralca resort, 120 km west of Santiago. Those who attended reached the conclusion that the stoppage should be promoted by the National Workers Command, an organization with which the CNS is associated, but noted that "the implementation of a stoppage is taking too long."

According to the CNS, the nationwide stoppage will serve to open the door of democracy. It added that then the struggle will be continued for the recovery of the labor rights which "this government took away from us, although we realize that this recovery will not be possible under the present regime."

The CNS declaration reaffirms support for the National Workers Command as the highest level of unity attained by Chilean workers.

The declaration of this organization, which opposes the government of General Augusto Pinochet, ends by expressing support for the students at Catholic University who are on a hunger strike demanding the return of exiles, especially the return of labor leader Hector Cuevas.

DEMOCRATIC ALLIANCE CALLS FOR NATIONAL PROTEST

PY231926 Madrid EFE in Spanish 1540 GMT 23 Jul 84

[Text] Santiago, 23 Jul (EFE) -- The opposition coalition known as the Democratic Alliance [AD] today called for a new national protest against General Pinochet's regime to be staged on 4 and 5 September. Enrique Cimma, president of both the AD and the Radical Party, said that the reasons for this protest are found in the problems of the Chilean people and in the search for a democratic solution.

At the same press conference where tha 2-day protest was announced, the AD rejected the political parties draft law which is being prepared by the government, because it is considered to be a complement of the Constitution, which the AD believes is anti-democratic.

COMMUNIST 'EXTREMIST' PUT AT DISPOSAL OF COURT

PY202054 Santiago EL MERCURIO in Spanish 14 Jul 84 p C 6

[Text] Valparaiso -- A dangerous extremist identified as Mauricio Fabio Arenas Bejas, a militant of the proscribed Communist Party and a perpetrator of several attacks, according to the National Intelligence Center, was put at the disposal of a military court yesterday.

The Intendancy of the Fifth Region reported that the extremist belongs to the so-called Manuel Rodriguez Front and that he participated in the holdup of a bus, among other actions, where a Carabinero was seriously wounded.

The report says that this past April Mauricio Arenas took part in the assault on and looting of the Hipos Supermarket and that on 8 June he took part in the assault on Radio Festival when a subversive proclamation was broadcast. On 21 June he participated in the attack on a bus of the Dhinos company during which Carabinero Ricardo Quezada was wounded.

Laura Silvia Catalan Reyes, a collaborator of the terrorist group, was also arrested.

UNIVERSITY OFFICIALS LAMENT ACTS OF VIOLENCE

PY210341 Santiago Domestic Service in Spanish 2300 GMT 20 Jul 84

[Text] The University of Chile has denounced extremist elements for trying to turn the university campus into a real battlefield by using violence, aggression, and threats, and seeking to disrupt the normal development of academic activities.

In a public declaration, the university stated that it has the obligation to denounce the serious and unacceptable acts of vandalism which for the second time in a week were recorded on the university grounds. The declaration added that people who are not students joined hundreds of students armed with sharp objects to attack police. They also erected barricades, destroyed property of the basic science school, and damaged the library located on Grecia Avenue. Similar events took place at the medical school. The University of Chile finally lamented the fact that some students are engaging in these types of violent actions.

LA TERCERA: U.S. REPORT ON COPPER IMPORTS 'DEPLORABLE'

PY231624 Santiago Domestic Service in Spanish 1100 GMT 23 Jul 84

[From the press review]

[Text] LA TERCERA DE LA HORA today analyzes the report on cooper imports that the Foreign Trade Committee has handed President Ronald Reagan. The conclusions of the report, LA TERCERA says, are clearly protectionist insofar as quotas and tariffs are concerned, and they involve serious restrictions on our exports. The newspaper adds that this is deplorable, because even though the report only contains recommendations, it sets an important precedent that may cause a shift in favor of the 11 requesting U.S. companies. Nevertheless, the newspaper remarks, the fact that the issue carries, in addition to its technical aspects, clearly political implications should not be neglected, because a reduction of our exports would seriously impair our ability to pay, which may lead us to a de facto moratorium. Under the present circumstances, such a situation might seriously affect the international financial system, the editorial says. This is also a political issue, because the adoption of protectionist measures would confirm that international trade is based on unjust practices.

The newspaper then says that since bilateral relations should aim at attaining equilibrium, the advisable thing to do is to reject the request submitted by the 11 companies. The editorial points out that the political problems that may arise from a measure of this nature are so serious that even the most elementary common sense would indicate that they should be avoided.

Chile and the Chilean people, the newspaper concludes, have already suffered too much to honestly and punctually meet their external obligations. Thus, they are morally entitled to demand a solution that should take into account their interests. History teaches us that the sword of Damocles [words indistinct].

EPL, M-19 LEADERS WILL NOT SIGN PEACE AGREEMENT

PA232252 Madrid EFE in Spanish 2226 GMT 23 Jul 84

[Text] Bogota, 23 Jul (EFE) -- Top leaders of the People's Liberation Army (EPL) and the 19 April Movement (M-19) guerrilla groups said today in a press conference in Bogota that the peace agreement will not be signed tomorrow because there are still points not agreed upon. According to the EPL and the M-19 guerrillas, the main point of contention is the maintenance of the state of siege.

ELN ATTACKS CHILEAN CONSULATE; NO CASUALTIES

PA231906 Buenos Aires LATIN in Spanish 1841 GMT 23 Jul 84

[Text] Medellin, Colombia, 23 Jul (LATIN-REUTER) -- Police reported today that the Chilean Consulate in this industrial city in northern Colombia was damaged last night by bombs planted by guerrillas of the pro-Castroite Army of National Liberation [ELN].

There were no casualties, and authorities estimated that the damage amounted to approximately $5,000.

The guerrillas did not explain their attack. They left pamphlets and propaganda of their group in the damaged consulate.

The ELN has been operating in Colombia for years, and it is the only guerrilla group that has refused to participate in peace talks with the government of President Belisario Betancur.

Several months ago this group kidnapped State Council member Jaime Betancur Cuartas, the Colombian president's brother, who was freed unharmed.

MURDER OF MAYOR LEADS TO CURFEW IN FLORIAN

PA231446 Bogota Emisoras Caracol Network in Spanish 1215 GMT 23 Jul 84

[Text] Bucaramanga -- A curfew and dry law were established for an indefinite period in the municipality of Florian following the assassination of municipal mayor Jorge Armando Pineda Gonzalez. The measures were issued by Fidel Cornejo Sanabria, representative of the departmental governor, who will remain in the municipality until conditions for appointing a mayor exist.

Mayor Pineda Gonzalez was killed Thursday night by persons presumed to be guerrillas. Units of the Galan Battalion sent from Socorro have intensified security and patrols in the town.

STROESSNER TO VISIT CHILE, U.S., FRG, TAIWAN

PY231652 Asuncion HOY in Spanish 23 Jul 84 p 10

[From the "Between the Lines" column]

[Text] Paraguayan President General Alfredo Stroessner intends to make several trips abroad. He has been invited to visit Baveria, in the FRG, in October, but before that he will visit Santiago de Chile, where he will meet with his Chilean counterpart, General Augusto Pinochet. The trip to Chile has been fully confirmed. The Paraguayan president also intends to visit the Republic of China and the United States. There are rumors that he may travel to Los Angeles to attend the Olympic Games and to meet with President Ronald Reagan. These trips are aimed at strengthening relations between Paraguay and these friendly countries, and at achieving greater cultural, technological, and trade relations.

RADICAL LIBERAL LEADER WITHDRAWS RESIGNATION

PY202309 Asuncion EL DIARIO in Spanish 20 Jul 84 p 15 A

[Excerpts] At the conclusion of the recess declared on 17 July, the Executive Board of the Radical Liberal Party decided that Dr Enzo Doldan will remain in the post of party president. Doldan withdrew his resignation after meeting with a special mission designated by the party leadership to overcome the existing disagreement.

Following the meeting, Doldan explained his reason for withdrawing his resignation. He said: "The Radical Liberal Party Executive Board has unanimously asked me to withdraw my resignation and has again entrusted me with the mission of leading the party. Under these circumstances, I could not fail to reach an agreement with those with whom I have shared the leadership of the Radical movement from the very beginning. This is why I have withdrawn my resignation. I will reassume the responsibility of the presidency and, from now on, we will consider this matter closed."

Asked whether any of the sides had to agree to preconditions to reach the agreement, Doldan replied that "neither side had to agree to any precondition, and there is no reason why they should have had to. We talked, I withdrew my resignation, and everything is over. From now on, the Executive Board will continue working."

BRIEFS

AUTHENTIC RADICAL PARTY LEADERSHIP -- Today the new Executive Board of the Authentic Radical Liberal Party was established as follows: Miguel Angel Martinez Yaryes, president; Domingo Laino, first vice president; Juan Manuel Benitez Florentin, second vice president; Miguel Abdon Saguier, secretary; Antonio Ferreira, treasurer. The Political Committee is formed by: Miguel Angel Martinez Yaryes, Juan Manuel Benitez, Carmen de Lara Castro, Miguel Abdon Saguier, Francisco de Vargas, Manuel Radice, Juan Carlos Saldivar, and Herma Belilla. The Coordination Commission is headed by Oscar Aguilera; the Press Commission by Cabrera; the Foreign Relations Department by Francisco de Vargas; the Department for Labor Union and Agrarian Affairs by Angel Ayala; the Training and Cultural Department by Jose Maria Fernadez; and the Women's Department by Elida Liza. [Summary] [Asuncion EL DIARIO NOTICIAS in Spanish 15 Jul 84 p A 2 PY]

PRESIDENT OPPOSES 'DEBTOR-CREDITOR WAR'

PA231617 Mexico City THE NEWS in English 21 Jul 84 pp 1, 7

[Report by Luis Felix-Flores]

[Excerpts] "Mexico will not get involved in any debtor-creditor war," President Miguel de la Madrid declared Friday at the latest "20 Women and a Man" meeting held in the Los Pinos presidential residence. The president told the group, formed of women of various professions, that such an eventuality would only be to the detriment of the people. Mexico will cover its debt by looking for ways to comply with its obligations, De la Madrid said.

He said that his own obligation is to defend the country and not to get involved in "heroic type" international games that would harm the country's present and future. The president said relations with the United States "are dignified, cordial and fruitful." He recognized "the valuable cooperation" of the American government in Mexico's efforts to restructure its debt and obtain new financing and trade opportunities.

In reply to questions posed by the women's group, De la Madrid expressed his conviction that a good part of his administration's efforts must be dedicated to overcoming the economic crisis. He pointed out that he hopes "to have the privilege of overcoming the crisis in my administration so as to put Mexico once more on the road to recovery and progress."

As for a moratorium on payments of the external debt, De la Madrid said such actions have met with economic reprisals in the past, and often with political reprisals too. While it is no longer customary to use military might to collect debts, the president said to his visitors, economic reprisals in today's world can have effects even more devastating than war. Mexico must import industrial raw products, machinery, equipment and replacement parts, he said. "Economic reprisals would be thwart our food imports and lead to widespread hunger. And that I cannot tolerate," he said. He added that interruption of imports caused by economic war would make Mexicans "the first to suffer." "I do not want to get involved in international adventures, such as war between debtors and creditors, because I know full well that my people would be the first to suffer," De la Madrid said.

Explaining Mexico's foreign debt reorganization, the president said the government has included maturities up to 1990, not only for this administration but for the first two years of the following administration. He said countries cannot be governed only for the present but must also be administered for the future and for the "national destiny." In the future, De la Madrid said, financial policy must be handled more scrupulously and carefully until a return to normality is achieved.

Turning to the economic crisis itself, De la Madrid said the worst part of it, even though "most negative elements have been overcome," is inflation, which is afflicting the great majority of Mexicans.

SEPULVEDA CONGRATULATES FRENCH PRIME MINISTER

PA231632 Mexico City EL NACIONAL in Spanish 21 Jul 84 p 5, first section

[Excerpt] Foreign Relations Secretary Bernardo Sepulveda Amor has sent a congratulatory message to newly appointed French Prime Minister Laurent Fabius.

The message reads: "On behalf of the Mexican Government, please accept our sincere congratulations on the occasion of your appointment as prime minister of the Republic of France. I hope we can soon resume the fruitful talks we began last March during my official visit to France. My best wishes for success in your new position."

INFLATION RATE INCREASES 32.9 PERCENT

WA084572 Rome IPS in English 20 Jul 84

[Text] Mexico, July 20 (IPS) -- Mexican inflation totalled 32.9 percent over the first six months of this year, according to official figures released here today. This was lower than the rate for the same period last year, but well above official targets, which had set 40 percent as the goal for the whole of 1984. One factor in the falling rate, said the Bank of Mexico report, was a dramatic drop in sales, reflecting Mexicans' sharply reduced purchasing power as a result of the government's austerity measures. The report predicted that inflation this year will be between 55 percent and 60 percent, some 20 points lower than last year. It expects inflation to slow over the next six months because price hikes in a number of key sectors, such as gasoline, electricity, steel and phones, have already been imposed. At the same time, however, across the board wage rises, expected to average 20 percent, and increases in the prices of basic foods such as bread and tortillas, are still due. Government officials say that price rises on basic goods will not have a major impact, since steps have been taken to protect lower paid consumers. But independent economists are less sanguine. The government has pledged not to raise the price of electricity or of cooking gas for the rest of the year. The major price rises contributing to inflation over the past six months, according to the Bank of Mexico, were a 50 percent rise in electricity charges, a 34 percent hike on petrol, a 40 percent increase in milk prices, a 40 percent rise for sugar, and a 20 percent hike in transport charges. Prices rose by an average of 5.4 percent a month in the first half of the year, down from 6.3 percent a month in the first six months of 1983.

BRIEFS

AGREEMENTS WITH SPAIN -- Carlos Crossier, Spanish deputy minister of industry and energy, has reported that his ministry and the Mexican Secretariat of Energy, Mines, and Parastatal Industry will sign an agreement by which Spain will give Mexico technical assistance and technology to develop a large-scale shipbuilding project. The initial investment will be $45 million. He also concluded an agreement with Pemex Director Mario Ramon Beteta by which Spain will send polyethylene, butadiene, and ethylene to Mexico. He also reported that Spain has offered to set up a Mercedes Benz of Spain plant in Mexico to manufacture engines. [Summary] [Mexico City EL FINANCIERO in Spanish 11 Jul 84 p 20 PA]

CENSUS RESULTS -- The results of the 1984 general census reveals that Mexico's population is 76 million people, compared to 66 million in 1980. The report states that the most notable demographic change is the drop in the birth rate to 2.4 percent, compared with the 3.2 percent rate during the seventies. The census reveals that 43 percent of the population is economically active, compared to 27 percent in 1970. Sixty percent of the population is urban. According to the census, Mexico is the sixth most densely populated country in the world. [Summary] [Mexico City THE NEWS in English 11 Jul 84 p 1, 7 PA]

COSTA RICA

DEPUTY GOVERNMENT MINISTER ON DRUG TRAFFICKING

PA240058 San Jose Radio Impacto in Spanish 1830 GMT 23 Jul 84

[Text] Deputy Government Minister Enrique Chacon has told this station that the Rural Guard has destroyed several marijuana plantations in the Guapiles area. He added that it seems the Atlantic coast is becoming the main producer of that drug, especially for exportation, because the quantity produced could never be consumed in the country. Chacon said that more than 400 tons of marijuana were seized last year. Regarding other drugs, the official added:

[Begin Chacon recording] In regard to other drugs such as cocaine, it seems that Costa Rica is the site of continuous cocaine trafficking. We presume there are one or two cocaine processing laboratories and, what is worse, it seems that there is a high degree of cocaine use in our country, especially among wealthy people who can afford such an expensive drug. [end recording]

The official said that this problem is becoming increasingly worse and, as in other countries, it is part of a maneuver to destabilize the country.

[Begin Chacon recording] We are facing a problem that is becoming increasingly worse and, as in other regions and countries, it is accompanied by or is almost always part of destabilizing schemes seeking to weaken our country's society. You can see that it is a very serious problem in the United States where Cuba and, now [word indistinct] Nicaragua are promoting drug consumption in the United States to hurt that society, make it a dependent one, and weaken it. [end recording]

As to charges of a link between top Sandinist government officials and drug trafficking, Chacon said this is normal because it results in good profits. He said that despite its risks, it implies large profits.

Regarding the seizure of marijuana in the Atlantic area, Chacon said that several people have been arrested and several rural guardsmen are suspected of having been involved. If these charges are confirmed, the guardsmen will be dismissed and turned over to the courts.

PLN SAYS OPPOSITION TRIES TO DISTORT NEUTRALITY

PA222156 San Jose LA REPUBLICA in Spanish 16 Jul 84 p 4

[Text] According to a joint communique issued by the National Liberation Party's [PLN] Political Directorate, the extent of the neutrality proclamation issued by President Luis Alberto Monge on 17 November is being distorted by opposition parties and certain business sectors.

With great concern the PLN leaders indicate that the same individuals who plunged our people into hardship and misfortune in the past are now adversely attacking the government and the country while trying to defend positions that they view as positions for national salvation. The communique charges that now these sectors "are trying to give lessons on how to solve our problems and are finding it very easy to attack the government and its actions. It is not very hard for them to take advantage of the climate of trust generated by the Monge administration after 2 years of gigantic efforts to revitalize our economy, safeguard our democratic institutions, and defend peace at any cost."

It adds "that unity of interests to obstruct Costa Rican foreign policy, which is based on neutrality, does not keep them from launching an all-out attack on government officials who are thoroughly identified with President Monge's policy."

In addition, the PLN Political Directorate states: "Although we are aware of the fact that it is not easy to navigate amid such regional disturbance, the Costa Rican people know that the PLN and the government are bent, vigorously and courageously, on maintaining the social peace that makes our country different from other nations."

In view of this campaign against certain government officials, the Political Directorate views "this situation with concern and advocates the granting of the means necessary for our public security, because it will benefit all inhabitants who have the right to live in peace."

Meanwhile, it emphasizes to those groups that want to volunteer their own formula for fighting communism that "the PLN is the only democratic party that has faced communism, with or without weapons, and on any terrain. It has done everything in its determination to defend a true commitment to peace, social justice, and freedom for Costa Ricans." Therefore, "between neutrality and war, we choose neutrality, which symbolizes the peace that the PLN has helped forge."

BRIEFS

NEWSPAPER SUSPENDS OPERATIONS -- San Jose, 21 Jul (AFP) -- EL DEBATE, a Costa Rican newspaper, has "suspended" operations "because of temporary insurmountable technical and financial difficulties." The newspaper, which is linked to the officialist National Liberation Party, expects to resume publication soon. [Summary] [Paris AFP in Spanish 1518 GMT 21 Jul 84 PA]

EL SALVADOR

VIDES CASANOVA ADDRESS ON STRUGGLE AGAINST VIOLENCE

PA230421 San Salvador Radio Cadena YSKL in Spanish 0025 GMT 23 Jul 84

[Excerpts] A call to the various productive forces and civilians to contribute a day of wages to alleviate the situation of soldiers maimed in war and other specific objectives were the topic of a speech given by Defense Minister General Carlos Eugenio Vides Casanova last night. He also pondered various issues and gave a report on the country's situation, particularly in these days of conflict that the nation is facing. Here is Vides Casanova:

[Begin recording in progress] ...can violate the people's sacred right and thus no one can try, through sly or violent mechanisms, to usurp the inherent and fundamental power of democracy. For this reason, any attempt at sharing power and distorting the functions of state institutions is illegal and unjust. When terrorist violence destroys our economy, attacks democracy, and kills our people, there is no justification for the terrorists because their activity does not have any humanitarian or socially redemptive aims. What the terrorists want is to obtain political power to establish a dictatorship of hatred, rancor, fear, and poverty. Marxists do not believe in democracy. They think that they are an organized minority to attain power and subjugate a people whose aspirations are ignored and who are used as slaves.

Our problem has ceased to be a local issue and has become part of the international conspiracy of Marxist imperialism. The subversives have lost their own national identity and are merely mercenaries at the service of foreign powers.

Their leaders, if they were ever able to present a mock platform, lost all credibility when they became puppets of Castroites and Sandinists. Therefore, the Salvadoran people are not facing a domestic insurrection but an extracontinental intervention through bases established in Cuba and Nicaragua.

Every day terrorist activities destroy what the people built the previous day, thus making reconstruction more difficult and making the situation of workers, peasants, businessmen, industrialists, and so forth more dramatic. If they really wanted to benefit the people they would be building instead of destroying. They would be paving the way instead of obstructing it. They would be respecting the lives and property of Salvadorans instead of killing them. Consequently, the reason for our sadness, despair, and concern today is no longer that of a developing nation. Now it is violence that destroys and hinders the daily activities of Salvadorans. This is the reason for the struggle of the Armed Forces. We are determined to restore order and guarantee the tranquillity that every Salvadoran wants and needs to work in peace.

We have a solemn commitment to the people, in our capacity as an institution and as soldiers, and for this reason we will continue to struggle until the last signs of subversive activities have disappeared and until the panic that terrorist hordes leave on the faces of our children and women as they pass through our towns and fields has been erased.

According to the antisubversive doctrine obtained from experiences in Europe and Asia, we should maintain a 10 to 1 proportion in the ranks in order to offer complete security and definite control due to the importance of defending the thousands of national objectives which constitute the wealth of our people and the groundwork for development. Despite this, we feel that the growth of the Armed Forces must be kept within limits in order not to overburden the national budget.

In view of this reality, it is necessary and urgent that each compatriot assume his responsibility and join the struggle as a civilian. He must directly cooperate with the Armed Forces by supplying the necessary information, giving his support for the protection of his property and that of the state, protecting other citizens in his community, providing transportation for military troops who do not have it, maintaining agricultural and industrial productivity, sacrificing salary demands, especially for the benefit of those who do not even have a job and must obtain one, maintaining a climate of social peace, and offering total support for the recognition of the military forces that are heroically fighting the assassins of Salvadorans and those who destroy their property. The people must join the defense of the homeland and must decidedly join the struggle to promote democracy and achieve the peace all Salvadorans want.

The position of a few or the victory of one force over another is not at stake in this struggle. What is at stake is the independence of a nation and the freedom of each of its inhabitants. Let's think of the struggle which the martyred people of Poland are involved in to regain freedom. Let's look beyond the Gulf of Fonseca and we will see a sister nation subjugated by Marxist dictatorship. It is a nation that is courageously fighting to rescue their betrayed revolution.

In this struggle imposed upon us, each and every Salvadoran is important and we must all participate actively to shorten the path to peace. We must all be willing to sacrifice something of our community to keep the economy going. All state resources must be used to gain final victory because the only way to have peace in our hearts and prosperity in our homes and social lives is by completely defeating the enemies of our homeland.

We must achieve maximum conservation of our energy resources to avoid importing fuel, which uses up our foreign exchange and decreases our monetary reserve.

The aggression against our country carried out by the Castro-Sandinist subversion is of a general and indiscriminate nature. No one can feel safe from its terrorist actions. The lives and properties of men, women, children, peasants, workers, businessmen, and merchants are threatened every day. For this reason, the response must also come from every sector and the incorporation into the struggle must be of a collective nature. All, absolutely all of us have much to gain in this situation. Therefore, we must develop a national awareness to eradicate violence and terror from our land forever.

In the future, each job must become a trench and each trench must become a job for national salvation. There are many ways by which the people can seek the ultimate definition for this struggle. For example, each Salvadoran must report human rights violations committed by terrorists, whether local or foreign, to humanitarian organizations, whether national or international.

Each Salvadoran should send letters or other messages to friends and relatives, and even important officials and organizations in countries that are still in the shadows of misinformation. Each Salvadoran must explain the reality of a nation that, despite its poverty and small size, has refused to become subjugated by international communist conspiracy.

There are many Salvadorans who could offer, for example, a day's salary to alleviate the conditions of people who were handicapped and wounded in the war. Every day we should pray to God so that this night of terrorist torture will end forever. Each family should help alleviate the pain, hunger, and despair of displaced Salvadorans who became victims of the terrorist action. Many women can join groups, hospitals, and refugee centers to help those who have suffered the action of the people's enemy in their own flesh. Each man must resolutely assume the defense of his family and help in the defense of his town. [end recording]

AD LEADER ON SOCIALIST INTERNATIONAL CONFERENCE

PA211437 San Salvador Radio Cadena YSU in Spanish 1800 GMT 20 Jul 84

[Text] The extreme left in El Salvador continues to insist on a dialogue with Jose Napoleon Duarte's government, but without giving up its armed struggle, Rene Fortin Magana, secretary general of the Democratic Action Party [AD], said on his return from Portugal. Fortin Magana attended a Socialist International congress in Lisbon, Portugal, held under the slogan: The Democratic Challenge in Latin America. He represented both AD and the Salvadoran Government at the event. FMLN-FDR leader Guillermo Manuel Ungo also attended the congress.

Fortin Magana said that after being the center of attention for many countries that have questioned its policies, El Salvador is now rapidly gaining sympathy for and recongition of its democratic process. Asked whether El Salvador was receiving international support, Fortin Magana said:

[Begin recording] [Fortin Magana] Yes, definitely. I am sure that Duarte has received confirmation of this support during his trip to Europe. For a long time, the subversive forces, particularly the FDR, have been given support by various international organizations such as the Socialist International. This support continues. However, I frankly believe that the trend is changing and that all of these organizations are now realizing that there are other, more important political forces that deserve greater attention.

[Unidentified reporter] FDR leader Guillermo Manuel Ungo was at the congress; did you talk to him?

[Fortin Magana] In effect, Guillermo Manuel Ungo was present as the representative of the political forces of which he is the president. We all had the opportunity to express our views, which differed, naturally. We explained the political process that is taking place in our country, while Ungo insisted on the same old positions. We were not there to hold a meeting with Ungo; we simply participated in the same event. Our present attitude is to participate, rather than to leave international forums to the FDR.

[Reporter] Was any reference made to the FDR's position on the initiation of a dialogue with the Salvadoran Government?

[Fortin Magana] No. [end recording]

These were statements made by AD Secretary General Rene Fortin Magana after attending the Democratic Challenge in Latin America congress held by the Socialist International in Portugal. Fortin Magana mentioned the fact that the Salvadoran leftists insist on holding a dialogue without giving up their armed struggle. President Jose Napoleon Duarte, however, recently said that he will not hold a dialogue with weapons on the table.

'POLITICAL VIOLENCE' CAUSES DEATHS OF 38 PERSONS

PA230441 San Salvador Radio Cadena YSKL in Spanish 0025 GMT 23 Jul 84

[Text] The Legal Assistance Office of the Salvadoran Archbishopric disclosed today that 38 people, victims of political violence, have been killed in San Salvador and in various other places in the country. These 38 people include 27 Armed Forces casualties, 21 of whom were rural policemen killed in an ambush in Aguilares, 36 km north of the capital. Msgr Arturo Rivera y Damas, archbishop of San Salvador, also said that there were no death squads victims.

PRELATE REPORTS 200 URUGUAYANS IN FMLN

PA212002 San Salvador LA PRENSA GRAFICA in Spanish 20 Jul 84 pp 2, 48

[Text] More than 200 Uruguayans have been proven to be in the FMLN's ranks, Msgr Freddy Delgado said yesterday during an address to the Treasury Police. Msgr Delgado, who is a member of the Salvadoran Human Rights Commission, spoke about justice, humanism, and philosophy within the context of man's fundamental rights. He referred to the case of the Uruguayans -- who are probably remnants of the Tuparmaros, a group that at one time sowed terror in that South American nation through murder, theft, kidnappings, attacks, and other crimes of both a political and common nature -- to demonstrate that international communism is openly and barefacedly intervening in our current situation.

He said that, disregarding the sorrow that it imposes on Salvadoran families by killing Salvadoran soldiers and civilians, this Uruguayan contingent chooses not to reflect on its attitude, for its members simply follow the instructions they receive from those who direct the subversive groups in our country, most of whom are foreign commanders -- particularly Cubans and Nicaraguans -- who have been particularly trained to destroy.

He also said that the authorities have detected not only Uruguayans but guerrillas of other nationalities, who are in El Salvador simply to satisfy their desire for adventure, caring nothing about the sorrow they wreak among humble families whose only crime is that they do not agree with international communism. For unknown reasons, these people have chosen our country as a point on the map that they must conquer by hook or by crook.

"Were it not for the fact that we Salvadorans have allowed so many criminals to come here, our current situation would probably be different. However, it should be noted that some people who think only of their personal ambitions have permitted agents of this anarchistic doctrine, which has already subjugated Nicaragua, to plan on establishing another continental base in our territory."

A large number of operatives, NCO's, officers, department heads, and members of the Treasury Police administrative personnel listened to the interesting lecture by the well-known prelate from beginning to end. Through these talks by Msgr Delgado, they are developing greater consciousness about the importance of their duty of preserving order and fighting both common crimes and all manifestations of subversion.

FMLN ON FOOD, ARMS PROCUREMENT IN SAN SALVADOR

PA220311 San Salvador EL MUNDO in Spanish 19 Jul 84 p 3

[Text] Guerrilla spokesmen have reported via telephone that the FMLN has begun operations to secure food and arms in San Salvador. The anonymous caller, who said he was speaking on behalf of the FMLN, told the news media that yesterday, Wednesday, "an FMLN commando procured food and arms of various calibers in downtown San Salvador. We ask the people not to be surprised because of the activities we are carrying out." According to the extremists, these operations "are part of the economic incorporation we must undertake for the FMLN's success on the war fronts." It has also been reported that the Army, through its security forces, keeps watch in San Salvador in order to counter possible guerrillas attacks. The guerrillas have recently attacked energy installations and telephone booths. According to the anonymous caller, the measure announced by the FMLN has not been reported thus far by an institution that has suffered "the economic and arms recovery" mentioned by guerrillas as having begun Wednesday in San Salvador.

GUERRILLA 'RECRUITMENT' IN CACAOPERA REPORTED

PA230450 San Salvador Radio Cadena YSKL in Spanish 0025 GMT 23 Jul 84

[Jose de la Paz Navarro report from San Francisco Gotera]

[Text] Cacaopera is in anguish again because of constant guerrilla recruitment among local residents. Guerrillas took more than 150 people with them recently. These people included state employees of the post office, the National Administration for Telecommunications, and teachers.

Another guerrilla recruitment was carried out on Saturday and Sunday. They took the following persons: Emilio Walberto Melendez Reyes, a 15-year-old student; Victor Manuel Melendez, municipal secretary and father of the aforementioned minor; Jose Santos Francisco Flores, acting mayor; Victorino Herrera, former mayor; Avelino Argueta, former mayor, Luis Alonso Rojas, municipal policeman; Casimiro Fuentes Ortez, municipal policeman; Rufino Argueta, a driver; Antonio Ortez, a farmer, and others who have not been released.

We are thus asking the Salvadoran Red Cross and the Salvadoran Human Rights Commission to assist in getting these people released so they may return to their homes. We ask their captors to respect their lives and release them as soon as possible. These individuals have nothing to do with the sociopolitical conflict our country is experiencing. They have nothing to do with the war.

GUERRILLAS REPORTEDLY OCCUPY GUATAJIAGUA

PA232139 San Salvador EL DIARIO LATINO 21 Jul 84 pp 9, 24

[Text] Subversives have been occupying the town of Guatajiagua for 3 days, according to civilians sources from Morazan who said they had to leave the town. They added that there are only a few people left in Guatajiagua since the town is practically under the control of FMLN leftists. Until yesterday, reports stated that dozens of residents were leaving the town and temporarily staying in Yamabal on their way to San Francisco Gotera, the department's capital. Military sources in that sector have said that subversives arrive in Guatajiagua, but they do not remain there very long. Nevertheless, the townspeople said they are leaving Guatajiagua for fear of the guerrillas and that there are very few people left. The town has been without public services, particularly electricity, for a long time. Meanwhile, reports from Chapeltique, San Miguel Department, note that more families arrived there yesterday from Guatajiagua seeking refuge and thereby increasing the number of displaced people fleeing violence who are currently in Chapeltique camps.

FPL REPORTS RESULTS OF '19 JULY' OPERATION

PA220432 San Salvador EL MUNDO in Spanish 20 Jul 84 p 11

[Text] The Clara Elizabeth Ramirez Front of the People's Liberation Forces, FPL, has issued a "war bulletin" reporting the actions it carried out on the occasion of the fifth anniversary of the Sandinist revolution. It named this operation "19 July." It said that the operation was carried out at 0100 on Saturday, 14 July, with the seizure of the Rosario Roano village in Comasagua, La Libertad Department. "We annihilated the enemy post of the repressive Treasury Police and civil defense members who fled in disarray in the face of the heroic fighting spirit of our guerrilla units. Previously our guerrilla units had evaded the 'clean-up operations' carried out by the puppet, genocidal Army that defends the Christian Democratic-bourgeois puppet government of Duarte." The front added that the results were as follows: 9 enemy casualties; 9 weapons, including a G-3 rifle with telescopic sight; four G-3 grenades; ammunition; 39 olive drab uniforms; gear; boots; etc. It added that "this materiel taken from our best supplier -- the puppet Army -- is now being used for the prolonged people's war that will lead to the defeat of our class enemy in the end." The front said: "After holding a rally and carrying out revolutionary propaganda activities, our companero fighters withdrew in an orderly manner without suffering any casulaties and with a high morale."

FARABUNDO MARTI DECRIES NEW 'CIA-FOUNDED' RADIO

PA210438 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 1830 GMT 20 Jul 84

[Text] A CIA-founded puppet radio station is broadcasting under the auspices of the Salvadoran Christian Democratic Party. The station -- which, like Duarte, echoes Ronald Reagan's terrorist policy -- has been outrageously christened "Radio Libertad." This puppet station has taken on the task of repeating broadcasts of the Voice of America -- its creator and mentor. It has been opened as part of the U.S. Government's plans to [words indistinct], because the United States is unable to maintain its barrage of misinformation against the Salvadoran people. The despicable Jose Napoleon Duarte will release his venom over that puppet station. It is not altogether impossible that he will try to start a program like the one that General Maximiliano Hernandez Martinez used when prescribing spring water to cure machinegun fever.

VENCEREMOS CHARGES DEATH SQUADS KILL WORKER

PA200406 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 20 Jul 84

[Text] Duarte's death squads have committed another crime against the working classes. Julio Cesar Abarca and a 15-year-old youth were arrested by heavily armed agents dressed in civilian clothes as they came out of the factory where they work. Abarca was later slain and the youth seriously wounded by Duarte's repressive forces. This is another criminal action carried out by the National Police and the Treasury Police. In the past few days, these repressive forces have arrested many workers in San Salvador, following orders from their exploiters and repressive bosses. While Duarte is in Europe trying to obtain economic aid by presenting himself as a democrat and a defender of human rights, in El Salvador the Salvadoran Air Forces planes are bombing cantons and villages. These men, heavily armed and dressed in civilian clothes, enjoy doing as they please in full daylight. So long as there are workers in prison and the people are subjected to all sort of repression, the workers will continue their struggle.

GUATEMALA

COMMUNIQUE ON VISIT BY COSTA RICA'S GUTIERREZ

PA232021 Guatemala City EL GRAFICO in Spanish 21 Jul 84 p 5, 32

[Text] Joint Guatemalan-Costa Rican Communique

Costa Rican Foreign Minister Carlos Jose Gutierrez, his wife, Flora Gutierrez Rojas de Gutierrez, visited Guatemala 19-20 July and were welcomed by Guatemalan Foreign Minister Fernando Andrade Diaz-Duran, and his wife, Julia Margarita Zayas de Andrade. The foreign ministers discussed matters of mutual interest for their countries and agreed to summarize the results of the visit as follows:

Press Communique

1. The two foreign ministers were pleased to confirm cordial relations of friendship, solidarity, and cooperation which happily exist between Guatemala and Costa Rica and reiterated their intentions to further strengthen these relations.

2. Fernando Andrade Diaz-Duran gave Carlos Jose Gutierrez ample information about the political opening and elections for deputies to the national constituent assembly which were held on 1 July. The event underlined the Guatemalan citizens' civic virtues and the way in which the government is fulfilling its historic pledge to the Guatemalan people and the international community. The foreign minister of Costa Rica asserted his government's satisfaction and his own, for the Guatemalan Government's and people's demonstration of an authentic democratic spirit. In this regard, the two foreign ministers agreed on the need to reassert their government's faith in the two sister nation's democratic destiny as the only means to achieve security, welfare, and development for their peoples.

3. The ministers agreed to maintain a system of consultations in order to coordinate criteria and viewpoints regarding international matters of common interest.

4. The two officials agreed on the need to promote and advocate respect for and compliance with human rights and fundamental liberties. In this regard, they confirmed their governments' compliance with the universal rights charter and the Latin American convention on human rights, in addition to other international instruments in this regard.

5. The foreign ministers of Guatemala and Costa Rica ratified their governments' strict support for the efforts of the Contadora Group, which is considered the most appropriate forum to achieve a negotiated and integral solution to the Central American crisis. Within this context, they asserted their governments' decision to consider the Contadora Group's Document for Peace and Cooperation in Central America as a new and valuable document reflecting the noble goals that inspire the Contadora Group governments in their efforts to achieve detente and a permanent peace in the area. They also ratified their governments' agreement that, according to the mandate and decision adopted at the sixth joint meeting of Central American foreign ministers and Contadora Group foreign ministers on 30 April 1984, the technical group should start a new and immediate work phase, in compliance with the mandate.

6. The two foreign ministers held a lengthy meeting to exchange viewpoints regarding the Costa Rican Government's intiative to hold a summit of Central American foreign ministers with the EEC member countries' foreign ministers in the near future, for which the Spanish and Portuguese foreign ministers -- as candidates to the EEC -- and the Contadora Group's foreign ministers have been invited. The foreign minister of Guatemala ratified his government's complete support for the Costa Rican initiative and its decision to participate actively in the organization of such an important event. The two foreign ministers agreed that the meeting is especially important because it shows the European countries' interest in the Central American countries, and it will allow everyone to explore broader possibilities for cooperation between the two regions.

7. The foreign ministers agreed on the need for their governments to exert themselves in reorganizing and strengthening the Central American integration process -- in its political, economic, social, and cultural aspects -- as the means to achieving prosperity, welfare, and progress for Central American nations.

8. The foreign minister of Costa Rica appreciated the hospitality afforded him and issued a cordial invitation to the foreign minister of Guatemala to visit Costa Rica, which was accepted with pleasure. They agreed that the date for this event would be established in due time.

GUEVARA EXPELLED FROM COORDINATING BOARD

PA210135 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 20 Jul 84

[Text] General Angel Anibal Guevara was expelled today from the political organization that nominated him for president in the 1982 elections. The National Democratic Coordinating Board, previously known as the National Guevarist Board, has issued a communique stating that Gen Guevara, his wife Aura Vespertina Carrenza [name indistinct] de Guevara, and five other party members have been expelled from the party. Among other members expelled, the communique mentions leader (Alfredo Diaz Ceresina), who fostered a movement to again nominate Guevara for president, in opposition to a move headed by Jose Miguel Barrios, one of Gen Guevara's closest collaborators during the 1982 campaign. (Diaz Cerecina) had already submitted his resignation from the party a few days ago.

To justify the expulsion of Guevara and the other six members, the Democratic Board cited the need to rid the party of a military dictatorship syndrome, according to the document issued today.

The National Coordinating Board received the fewest votes during the elections for representatives fo the constituent assembly, after its leader (Jose Miguel Barrios) announced the night before the elections that the organization would not participate in the elections. The Guevarist faction considered this a unilateral decision which led to the organization's political failure during the elections.

13 SOLDIERS KILLED IN AMBUSH IN EL QUICHE

PA220354 Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 21 Jul 84

[Text] Yesterday at 0600, a military detachment on its way to a change of guard near Playa Grande, El Quiche Department, was ambushed with claymore mines and rifle fire. As a result of the attack. Sublieutenant Cesar Augusto Joachin Orozco and 12 other detachment soldiers were killed. Two other soldiers were wounded. An Army communique revealed yesterday attributed this subversive attack to the celebration of what is called the pseudovictory of the Sandinist revolution in the brother Republic of Nicaragua.

HONDURAS

U.S. TROOPS PARTICIPATE IN COUNTERINSURGENCY EXERCISE

PA231702 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 23 Jul 84

[Text] Tegucigalpa -- Today, Monday, Honduran and U.S. soldiers will begin a counter-insurgency exercise -- the first in a new series of joint maneuvers, according to the Honduran Armed Forces. A bulletin issued by the military corps said that the exercise has been named "Operation Lempira," in honor of the Honduran chieftain who fought against Spanish conquerors. The exercise will be conducted in the Departments of Comayagua, in the central zone of the country, and La Paz, on the Salvadoran border. The 10th Infantry Battalion, headquartered in Marcala, La Paz Department, will participate for Honduras; special airborne troops from the U.S. forces headquartered in Panama will participate for the United States. According to the bulletin, these small scale, combined deployment training exercises will conclude on 5 August.

PINU NAMES CERRATO AS PRESIDENTIAL CANDIDATE

PA231554 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 23 Jul 84

[Excerpts] During an event held yesterday at the Centenario Theater, Dr Miguel Andonie Fernandez, founder and top leader of the Innovation and Unity Party [PINU] officially named Dr Enrique Aguilar Cerrato as PINU's presidential candidate.

[Begin Andonie recording] A dramatic review of our political history allows us to observe how the possibilities for a solid democratization process have been frequently frustrated. The mere mention of these events demonstrates:

1. Our country's erratic political life.

2. The weaknesses of our government organizations, now subjected to new and greater ideological pressures.

The bitter fruit of our ancestral mistakes are external dependence, extreme poverty, underdevelopment, illiteracy, and corruption. In addition, our disorganized public administration adds to our harvest of misfortune. It was within this context that PINU emerged, raising the banner of unity for innovation. Thus, PINU became the answer to our people's vigorous and constant demands for democracy, pluralism, and development.

We must admit that Honduras has worked to advance itself in every direction. However, because of our enormous historical backwardness, the road ahead is still long and full of obstacles.

Therefore, we are pleased to announce to the Honduran people that we have chosen as PINU's presidential candidate a Honduran who has distinguished himself in his private and professional life. This candidate was democratically elected, just as we will select the other candidates to public posts, with full participation of all our members and according to our statutes. This event in itself represents a significant contribution, because we have chosen -- with democratic responsibility and within an atmosphere of exemplary unity -- a doctor with a long and fruitful professional life to assume this role. He has reached great heights throughout his career, including a position with the Public Health Secretariat and a seat in the last Constituent Assembly. Fellow citizens, this man is Antonio Enrique Aguilar Cerrato. [applause] Fellow PINU members, the emotion of this undeniably serious event should not make us forget a fundamental fact. A candidate who does not have the solid support of his party would be prematurely defeated. Therefore, let us give all our support to the man we have chosen to assume this high responsibility. [applause] [end recording]

LANDAVERDE ELECTED CHRISTIAN DEMOCRAT PRESIDENT

PA231758 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 23 Jul 84

[Text] The Honduran Christian Democratic Party, PDCH, held a national convention to elect the new president of the party's National Directorate last weekend with the participation of delegates from throughout the country. Alfredo Landaverde, former president of the PDCH National Directorate, was defeated by Deputy Efrain Diaz Arrivillaga. After his proclamation, the new president of the youngest legally recognized political party delivered an eloquent speech. Among other things, he said that the PDCH will support the Armed Forces, demand a dignified position before the United States, and direct its actions on behalf of Honduras toward obtaining what the country is entitled to.

GOVERNMENT TO EXPEL REFUGEES RESISTING RELOCATION

WA241220 Rome IPS in English 19 Jul 84

[Text] Tegucigalpa, July 19 (IPS) -- The Honduran Government said today it would expel refugees who resist relocation away from the Honduran-Salvadoran border to the interior of the country. The president of National Refugees Commission, Oscar Mejia, made the announcement, which referred in particular to Salvadoran refugees who have fled their country's deepening civil war. The Honduran Government has said many Salvadoran refugees have collaborated with the Salvadoran insurgent movement, the Farabundo Marti National Liberation Front (FMLN). Its decision to relocate nearly 8,000 Salvadoran refugees from the border area to the northern interior province of Yoro has been supported by the U.N. High Commissioner for Refugees (UNHCR) but has been criticized by independent refugee workers and the refugees themselves. The archbishop of Sao Paulo, Brazil, Paulo Evaristo Arns, recently sent a message to the government requesting that the relocation move be cancelled. Honduras is home to an estimated 39,000 refugees, principally from El Salvador and Nicaragua, as well as several hundred from Guatemala. Most of the refugees to be moved now live in the Colomoncagua and Mesa Grande camps along the border area.

BRIEFS

NEW PNH FACTION -- A new faction has emerged within the National Party of Honduras, PNH, which will be known as Monarca, of the Rafael Callejas Nationalist Movement [Movimiento Nacionalista de Rafael Callejas]. According to Callejas, this independent movement will participate in the party's internal elections. [Summary] [Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 23 Jul 84 PA]

NICARAGUA

REPORTAGE ON VISIT BY GHANAIAN LEADER RAWLINGS

Ortega Sees Common Enemy

PA230435 Managua International Service in Spanish 0000 GMT 23 Jul 84

[Text] Ghana and Nicaragua have objective problems and a common enemy which is imperialism, Commander of the Revolution Daniel Ortega Saavedra said today. The Sandinist leader made this statement at a meeting with members and leaders of the Farm Workers Association, ATC, from Nicaragua's eastern region that attended by the Ghanaian head of state Flight Lieutenant Jerry Rawlings. Regarding the common enemy of Nicaragua and Ghana, Commander Ortega said that the peoples' strength and energy is mightier than imperialist nuclear power. For that reason, we say that victory belongs to the peoples.

Ortega Invited to Ghana

PA231255 Managua Domestic Service in Spanish 0352 GMT 23 Jul 84

[Text] Commander of the Revolution Daniel Ortega Saavedra, coordinator of our government junta, was invited tonight to make an official visit to the Republic of Ghana. The invitation was made by the president [as heard] of that African country, Flight Lt Jerry Rawlings, who signed a cooperation agreement on international policy with Commander of the Revolution Daniel Ortega. Commander of the Revolution Ortega Saavedra accepted the invitation and said that he will confirm the date through diplomatic channels.

The document signed by the two heads of state calls for broad mutual support by the two nations at international forums. The Ghanaian Government voiced support of Nicaragua in the development of its revolution and supported its obtaining every technical resource needed to defend its sovereignty. The document also states that Flight Lt Rawlings was briefed by Commander Ortega on the political and military situation in Central America. In this regard, both leaders condemned the current aggression, which is contrary to the principles of international law and the United Nations. They agreed that the United States must abide by the ruling of The Hague court to end the aggression and voiced support for a political solution to the conflict. Regarding African countries, Commander of the Revolution Daniel Ortega condemned South Africa's aggressions against Namibia and recognized the South-West African People's Organization. Finally, both heads of state called for the establishment of a new international economic order under the auspices of the United Nations.

Rawlings Cites Lincoln as Example

PA231658 Managua Radio Sandino Network in Spanish 1200 GMT 23 Jul 84

[Text] I see in the Nicaraguan people's struggle the example of Abraham Lincoln. This was said yesterday by Jerry Rawlings, head of the Ghanaian Government, during a news conference with local and foreign newsmen at the Granada Government House.

The chief of state referred to the role of the news media at the international level, saying that the media is the best 20th century weapon for reporting the true side of the story, since the source of imperialism's power is the people's ignorance and misinformation.

Chairman Rawlings referred to the possibility of a dialogue between Nicaragua and the United States, saying: I think a dialogue between the United States and Nicaragua would be beneficial. I think it has actually been initiated, because the Nicaraguan revolution does not represent a threat to U.S. interests.

I see the Nicaraguan people's struggle as the heritage of President Abraham Lincoln. I think that the struggle for liberty in the United States served as an example for other patriots in this continent. The ideals of freedom and against slavery defended by the United States 2 centuries ago [as heard] are the principles that have led the Nicaraguan people in their struggle. Therefore, as the United States rediscovers its own historic heritage it will inevitably have to acknowledge the aspirations of the Nicaraguan people.

Rawlings Expresses Solidarity

AB231415 Accra Domestic Service in English 1300 GMT 23 Jul 84

[Excerpt] Flight Lt Rawlings is going to Cuba after attending festivities marking the fifth anniversary of the Sandinist revolution in Nicaragua. In a message of goodwill issued in Managua, Flight Lt Rawlings expressed Ghana's solidarity and total support for the struggle of the people of Nicaragua. He said the victory of 19 July 1979 remains a constant source of admiration and inspiration for all progressive peoples. Flight Lt Rawlings declared: We continue to watch with admiration the ideals and determination which have led you to consolidate the achievements of the Nicaraguan people. The message hoped that future anniversaries will see the strengthening of solidarity, friendly and close cooperation between the governments and the people of the two countries.

As part of his visit to Nicaragua, Chairman Rawlings yesterday visited two military schools in Managua. Accompanied by the chief of the Sandinist People's Army combat training section, Commander Alvaro Baltadono, Flight Lt Rawlings and his entourage visited the (Omar Torrijos) artillery school. After touring the school, Flight Lt Rawlings laid a wreath at the tomb of Commander Hilario Sanchez. The Ghanaian delegation later toured the Carlos (Aguilar] officer's school.

Joint Communique

AB230930 Accra Domestic Service in English 1800 GMT 23 Jul 84

[Excerpt] At a news conference, Flight Lt Rawlings thanked the people of Nicaragua for inviting him to visit Nicaragua and allowing him to learn about the revolutionary leadership. He described the fifth anniversary celebration of the revolution as a self-expression of people's awareness. Flight Lt Rawlings urged journalists to be guided by this reality because the Nicaraguan people have, as he put it, carried out a long struggle to create the existing climate of political freedom. He added that if Americans knew what is really going on in Nicaragua they could do something to change the course of the policy pursued by the Reagan administration. Chairman Rawlings said the Nicaraguan and Cuban experiences could be very useful for Ghana.

In a joint communique issued at the end of the visit, Ghana and Nicaragua condemned the arms race, aggression against Nicaragua, and U.S. interference in Central America. The communique expressed concern about the tense world situation. It further condemned the U.S. aggression and threats of aggression which create armed conflicts in several parts of the world. The two sides called for a search for the right of nations to choose their own social and economic systems, a new just economic order, and the start of global negotiations under the auspices of the United Nations.

The coordinator of the Nicaraguan Government Junta Commander Ortega, has accepted an invitation to visit Ghana on a date to be arranged later, the communique added.

Rawlings Departs

PA232149 Managua Radio Sandino in Spanish 1830 GMT 23 Jul 84

[Text] Flight Lt Jerry Rawlings, the Ghanaian chief of state, was seen off today with honors befitting a head of state after participating in the events held to commemorate the fifth anniversary of the Sandinist people's revolution. Commander of the Revolution Daniel Ortega Saavedra, coordinator of the government junta; Foreign Minister Miguel D'Escoto; and a delegation of the Association of Sandinist Children saw Rawlings off at the Augusto C. Sandino International Airport. At the airport, Flight Lt Rawlings and Commander Ortega Saavedra reviewed the Sandinist People's Army troops. After take-off, the pilot of the military plane in which the head of state was traveling displayed his skill by flying back toward the airport as a farewell to Commander Ortega Saavedra.

MEXICAN PRESIDENT SENDS CONGRATULATORY MESSAGE

PA230429 Managua International Service in Spanish 0000 GMT 23 Jul 84

[Text] Mexican President Miguel de la Madrid has sent a congratulatory letter to the people and Government of Nicaragua on the fifth anniversary of the Sandinist people's revolution. In the letter, the Mexican head of state expressed his readiness to work harder within the framework of the Contadora Group to reestablish peace in the region. De la Madrid also conveyed his sympathy for the revolution because it promotes democracy among the Nicaraguan people and respect for men's freedom.

RUIZ LEAVES FOR MEXICO FOR TALKS WITH DE LA MADRID

PA232205 Managua Domestic Service in Spanish 2048 GMT 23 Jul 84

[General Directorate of Information and Press of the Junta of the Government of National Reconstruction Communique issued on 23 July]

[Text] Commander of the Revolution Henry Ruiz, member of the FSLN National Directorate and planning minister, accompanied by Deputy Foreign Minister Victor Hugo Tinoco, left for Mexico today. Commander Ruiz will meet with Mexican President Miguel de la Madrid in Mexico City to disciss the Central American conflict and to express the concern of the Nicaraguan Government because of an increase in the aggression which, promoted by the U.S. Government, has escalated in the past few months. He will also discuss points of view on the Contadora document which Nicaragua has already officially stated and on the bilateral dialogue that our country has been holding with the U.S. Government. With this meeting, Nicaragua once more reiterates its interest in finding a solution to Central American problems through dialogue. It also recognizes the Latin American effort which the Mexican Government has been constantly promoting.

RUIZ DISCUSSES CUBAN COOPERATION, DEMOCRACY

PA231708 Managua Radio Sandino Network in Spanish 1200 GMT 23 July 84

[Excerpts] While the U.S. Administration places mines in our ports, finances counterrevolutionaries, and maintains a policy of aggression against Nicaragua, the Cuban Government and people have always maintained the cooperation needed for the reconstruction of our country. This was stated last night at a ceremony commemorating the fifth anniversary of Cuban-Nicaraguan cooperation.

Commander of the Revolution Henry Ruiz noted Cuba's continuous material and humane assistance.

[Begin recording] Only one meeting with Commander Fidel Castro was needed before it was decided that a road uniting the Pacific and the Atlantic should be built. [end recording]

In spite of the fact that Cuba's aid to Nicaragua has been very visible, some sectors, pretending to be blind to the benefits that this cooperation has brought to the Nicaraguan people, are complaining about too many foreigners in Nicaragua.

[Begin recording] There are those who appeal to the National Directorate of the FSLN and the revolutionary government to remember the democratic path, to keep alive the hope that the democratic path will not be forgotten.

For as long as we can remember, and we are old enough to know, Nicaragua has never had a democracy like the one we have right now. There have never been mass movements like the ones we have now. The recent 19 July rally was a Managua effort only. There were other small efforts that interrupted neither defense nor production. And see what happened at the square of the martyrs and heroes of our revolution.

Some people are very concerned about manipulation of the Nicaraguan people. They say there is everything except freedom and democracy in Nicaragua. And since they are waiting for the FSLN to weaken, they attribute the 19 July rally to the FSLN banner alone.

What democracy are these gentlemen talking about? They voice concern over our friendships and aliances while they enhance their alliance and improve their friendship with our aggressors, with so-called democratic governments that do not even dream about engaging in what they call the peace-negotiations process. Our friendship is not negotiable. [end recording]

PROTEST SENT TO IADB OVER MEETING WITH FDN LEADER

PA230431 Managua International Service in Spanish 0000 GMT 23 Jul 84

[Text] Nicaragua has sent a note to the Inter-American Defense Board, IADB, protesting that organization's meetings with counterrevolutionary leader Adolfo Calero Portocarrero.

Deputy Commander (Constantino Roa Tapia), head of the Nicaraguan delegation, said that it was unacceptable for the IADB to use criminal elements in writing reports on Nicaragua.

Calero Portocarrero leads the counterrevolutionary gang called Nicaraguan Democratic Force [FDN] which is openly financed and headed by the terrorist CIA, the Nicaraguan protest note states.

RAMIREZ, NUNEZ ATTEND ASSEMBLY MARKING 'MASSACRE'

PA240333 Managua Domestic Service in Spanish 1830 GMT 23 Jul 84

[Report by Oscar Alvarez from Leon]

[Excerpt] Today at a [word indistinct] higher education assembly the following commitments were espoused: to strengthen all war fronts, to [word indistinct] fighting spirit of university students, to improve the levels of higher education, to broaden the people's views, to increase the level of political ideology, and to renew confidence in the FSLN.

Representatives of the country's seven higher education centers attended the assembly which was held at the (Ruiz Aguinda) Auditorium of the Leon metropolitan campus to commemorate the 25th anniversary of the Leon student massacre. Sergio Ramirez Mercado, member of the Junta of the Government of National Reconstruction, Commander Carlos Nunez, State Council president; Joaquin Solis Piura, Higher Education Council president; Commander Hugo Torres, [title indistinct] of the Sandinist People's Army; officials of Leon, the 3rd [number as heard] Region, and students and union leaders from Leon and other cities were also present at the assembly.

In his speech Ramirez mentioned the historical significance of the student movement headed by those killed here in 1959 when the Somozist guard dispersed a protest demonstration by opening fire on the demonstrators.

ARCE SPEAKS ON 23D ANNIVERSARY OF FSLN'S FOUNDING

PA232215 Managua Radio Sandino in Spanish 1830 GMT 23 Jul 84

[Text] The 23d anniversary of the founding of the FSLN is commemorated today, 23 July. The revolutionary leaders have described this day as historic, since for the first time the Sandinist Front is presenting its candidates and platform for the most honest elections ever held in Nicaragua.

With this relevant assertion on the Sandinist Front's political-military development, Commander of the Revolution Bayardo Arce Castano, coordinator of the FSLN Political Committee, today stressed at a news conference the vanguard's firm position based on the Nicaraguan people's will.

Commander Arce stressed that in the past FSLN fighters mobilized clandestinely and used pseudonyms. The Sandinist Front, he went on, never had the chance to (?register) candidates or have air time on a radio station. In order to get some air time, it had to seize radio stations and proclaim the armed struggle.

Now, he said, all of the political parties have broad opportunities to meet and mobilize, as well as the (?chance) to use the various social communications media. In the past, only the traditional sectors enjoyed these rights.

FSLN PRESENTS CANDIDATE LIST TO ELECTORAL COUNCIL

PA231946 Managua Radio Sandino in Spanish 1830 GMT 23 Jul 84

[Text] In a very simple ceremony marked, however, with great historical significance for our country, at 0900 today the FSLN, abiding by the laws of Nicaragua, presented its lists of candidates for the presidency and vice presidency of the Republic and for the national assembly.

Commander Bayardo Arce Castano, coordinator of the FSLN Political Committee; Commander of the Revolution Victor Tirado Lopez; and other members of the Sandinist Assembly presented the lists (?during the ceremony) to Dr Mariano Fiallos, secretary of the Supreme Electoral Council, who received the documents. The Nicaraguan workers' party, the Sandinist Front, was thus legally registered.

National and foreign journalists filled the premises to cover this historic event.

OPPOSITION PRESIDENTIAL CANDIDATE CRUZ RETURNS

PA240354 Panama City ACAN in Spanish 0302 GMT 24 Jul 84

[Text] Managua, 23 Jul (ACAN-EFE) -- "Real elections, yes, faked elections, no," were the first words spoken publicly in Managua by Arturo Cruz, economist and presidential candidate for the opposition.

Cruz, the former junta member and former Nicaraguan ambassador to Washington and new top leader of the country's dissident sectors, was greeted with a public reception at the Sandino Airport in Managua, where he arrived tonight from the United States.

In his first political speech delivered at the national headquarters of the Nicaraguan Social Christian Party, Cruz announced that his campaign will not be "strident" but promised to "make the truth prevail."

"We offer an olive branch to the Sandinist Front, but we are also asking it to be consistent and accept the nine points that the Democratic Coordinating Board is demanding from the government as conditions to participate in the elections," said Cruz.

The Nicaraguan opposition presidential candidate said that the elections were not staged by the Sandinist Front to satisfy the democratic demands of the country's people. They were staged to calm international public opinion," said Cruz. "The Sandinists want the elections to have validity abroad, but it is our duty to see that they have validity at home," added Cruz.

Cruz said that the Sandinist Front is trying to obtain a public "credibility certificate" with the elections. "However, the check used to pay for that credibility must be countersigned by the opposition and the opposition cannot sign if it knows that there are no funds to cover it," said the leader.

"All of us have never opposed the revolution," emphasized Cruz. "What we have always demanded is that we not be given a dictatorship disguised as a revolution."

Cruz expressed support "for the democratic fervor of the Nicaraguan people. I swear that I am in solidarity with your desires, regardless of the cost," said Cruz.

Ortega on Cruz' Charges

PA231953 Managua Radio Sandino Network in Spanish 1200 GMT 23 Jul 84

[Text] Commander Daniel Ortega, coordinator of the government junta, yesterday referred to the charges of Arturo Cruz, presidential candidate of the Ramiro Sacasa Coordinating Board, that conditions for participating in the November elections do not exist by saying that Mr Cruz can say whatever he wants, but conditions here for participating do exist.

Referring to the voter registration of citizens on 27, 28, 29, and 30 July, the revolutionary leader said that we trust that the Nicaraguan people will register en masse.

PCN Supports Cruz

PA231928 Managua Radio Noticias in Spanish 1200 GMT 23 Jul 84

[Excerpts] The Nicaraguan Conservative Party [PCN] held its national convention yesterday and ratified its support of Dr Arturo Cruz and Adan Fletes as presidential and vice presidential candidates of the Ramiro Sacasa Democratic Coordinating Board. It also nominated its list of 90 candidates to the constituent assembly.

[PCN leader] Miriam Arguello reports on the convention:

[Begin recording] The PCN national convention held yesterday at the headquarters of the Central Organization of Nicaraguan Workers ratified all of the work of our board of directors this past month. In other words, it ratified the request to obtain the party's legal status, its principles, programs, and bylaws. It also ratified the actions of the board of directors with regard to the opposition alliance. The party supports the candidacies of Dr Arturo Cruz for president and Adan Fletes for vice president. [end recording]

PLI NOMINATES GODOY AS PRESIDENTIAL CANDIDATE

PA231753 Managua Radio Sandino Network in Spanish 1200 GMT 23 Jul 84

[Text] The Independent Liberal Party [PLI] has nominated Dr Virgilio Godoy as its presidential candidate. Following 11 hours of intense discussions among more than 175 PLI delegates from throughout the country, the national convention proclaimed Godoy its presidential candidate and Constantino Pereira as Godoy's running mate in the 4 November elections.

The PLI convention, which took place at the Ticomo Hotel in Managua, decided that the party must participate in the elections once the guarantees to be demanded by the PLI National Executive Committee, the convention's representative, are granted. The demands include suspension of the state of emergency, elimination of press censorship, and freedom of political mobilization.

I solemnly promise you, liberalism, and all of Nicaragua that we will struggle tirelessly to build a new country. This was stated by Dr Godoy in delivering his first speech as presidential candidate. Godoy told the PLI conventioneers that his responsibilities have increased rapidly, but his willingness to serve the fatherland and the party has also increased.

The leader said that political work in the country is very difficult and that it will be more difficult in the weeks to come. However, he said that he has assumed a responsibility that must be supported. The convention also nominated 90 candidates for representatives to the national assembly.

C.R. RODRIGUEZ MEETS WITH GDR LEADER AXEN

FL231508 Havana Domestic Service in Spanish 1000 GMT 23 Jul 84

[Text] Carlos Rafael Rodriguez, Politburo member and vice president of the Councils of State and Ministers, has met in Havana with Hermann Axen, GDR Politburo member and Central Committee secretary of the Socialist Unity Party of Germany. Axen is in Cuba to attend the events surrounding the 31st anniversary of the assault on Moncada. During the meeting, Carlos Rafael Rodriquez and Hermann Axen talked about bilateral relations.

WORLD PEACE COUNCIL PRESIDENT ON REAGAN POLICIES

FL231310 Havana Domestic Service in Spanish 1045 GMT 23 Jul 84

[Text] World Peace Council President Romesh Chandra has held a press conference at the offices of Cuba's Movement for Peace and Solidarity of the Peoples.

[Begin Chandra recording in English with consecutive Spanish translation] At this moment the forces of imperialism, in particular, the Reagan administration, are threatening the independence and sovereignty of Central America. In observance of the fifth anniversary of the victory of the Sandinist revolution I consider that the people of Sandino are stronger than ever. (?A mounting feeling) of their desire for peace is greater than ever. [end recording]

Chandra emphasized that the theme at present is to detain Reagan and fight his criminal policies. He added that the fascists are becoming more and more recalcitrant and that those who propose ideas of peace are hounded. After underscoring that the United States has been conducting an arms race of colossal proportions, increasing as never before the danger of a nuclear war and destruction of the planet, Chandra said:

[Begin Chandra recording in English with consecutive Spanish translation] That the peace forces, the peace movements, are getting stronger than ever before [as heard]. And, we have full confidence and optimism that the danger of a nuclear war will be prevented, and that aggression and intervention of the United States can be and will be stopped -- of all who stand against nuclear war, all who stand for peace, and the independence and sovereignty of nations. [as heard]. (end recording]

At the press conference, Chandra said that the peace movement continues to get stronger, and can count on support from 141 nations.

MALMIERCA DISCUSSES CENTRAL AMERICA, U.S. RELATIONS

Denounces U.S. Intervention

PA230238 Havana International Service in Spanish 0000 GMT 23 Jul 84

[Text] Cuban Foreign Minister Isidoro Malmierca reiterated Cuba's willingness to contribute to a negotiated political solution to the Central American crisis, with full respect for the rights of the countries and peoples of the region. In statements to the Mexican newspaper EL DIA, Malmierca said that a permanent objective of Cuba's foreign policy is the defense of peace. Malmierca also denounced U.S. intervention in Central America, the attacks on Nicaragua and the militarization of Honduras. He said that Cuba appreciates and respects the Contadora Group's peace efforts. Malmierca added that the United States has failed in its efforts to isolate Cuba and proof of the U.S. failure is the fact that Cuba has relations with 120 countries and diplomatic missions in 88.

EFE Report

PA230308 Madrid EFE in Spanish 0037 GMT 23 Jul 84

[Excerpts] Mexico City, 22 Jul (EFE) -- Cuban Foreign Minister Isidoro Malmierca has stated that the future of relations between Havana and Washington "will be determined by the fact that we are on the same continent and there is no other alternative but to seek peace." During an interview granted in Havana to a correspondent of the Mexican newspaper EL DIA and published today, Malmierca added that these relations will be based on the principle of respect for the sovereignty of nations and nonintervention in the affairs of other states. "We don't know at what moment the U.S. Government leaders will realize this but, as President Fidel Castro has noted, we are not excluding anyone from this possibility," said the Cuban foreign minister. Malmierca admitted that relations between Cuba and the United States are "very poor" at this moment but asserted that "they will be different, although we don't know how long it will take" in the future. The Cuban foreign minister noted that the time will come when the United States will realize that the Cuban people have decided, once and for all, to march along an independent, sovereign path toward development and will never forsake their positions of principle. He added that the visit which Rev Jesse Jackson, former democratic candidate for the U.S. presidential nomination made to Cuba in June "was a very brave gesture, a sincere and important step toward improving relations between both countries." Malmierca stressed that Cuba repeatedly expresses its willingness to help achieve a negotiated political solution to the Central American conflict, "which must respect the rights of the states and peoples in the region in order to be real and permanent." Finally, he praised the efforts which are being made by Colombia, Mexico, Panama, and Venezuela, members of the Contadora Group, founded on 9 January 1983, to find a political solution to the Central American conflict.

'OUR AMERICA' COMMENTARIES VIEW U.S. OBJECTIVES

Military Axis Planned

PA231428 Havana International Service in Spanish 0000 GMT 23 Jul 84

["Our America" commentary]

[Text] The United States is trying to revitalize its military mechanisms in Central America and to modernize all its structures for political domination by forming a military axis among El Salvador, Honduras, Guatemala, and the U.S. Southern Command, headquartered in the Panama Canal area. General John Vessey, chairman of the U.S. Joint Chiefs of Staff, visited Central America this week with this idea in mind. He met with the presidents of the Salvadoran and Honduran regimes, Jose Napoleon Duarte and Roberto Suazo, respectively. He also met with those responsible for the U.S. military advisers in both countries.

Vessey was accompanied by General Paul Gorman, chief of the U.S. Southern Command, who is the main strategist of the war that the United States has unleashed against the peoples of Nicaragua and El Salvador. Gorman, a high-ranking U.S. military officer, has held many meetings with top Salvadoran and Honduran Government officials, to coordinate what have been called common actions in the struggle against communist subversion.

Among the plans that the United States has for this military axis is the establishment of a military industry in Central America, managed and coordinated by the U.S. Southern Command.

Under the pretext of guaranteeing security and democracy in the continent in the face of communist subversion, Gen Gorman has been trying to encourage capitalists in Central America to reactivate defense agreements and the Central American Common Market by means of military aid and by establishing a war industry in which El Salvador will be the exclusive supplier of textile and plastic materials. Gen Gorman also favors creating a security and military intelligence body which would include Costa Rica. This body's mission would be to train Central American armed forces allied with the United States and also to carry out combined border operations.

Israel, which has been participating in the Central American war for the past 2 years as a privileged partner of the United States, will play an important role in the war industry, similar to the role it is currently playing in the manufacture of arms and ammunition in Guatemala. The war industry would be used as a U.S. platform for training and for coordination of counterinsurgency plans for Central America, especially El Salvador, and to continue attacking the Sandinist revolution of Nicaragua. The plan submitted by Gen Gorman to Salvadoran President Jose Napoleon Duarte and Defense Minister General W Vides Casanova confirms the extent of the Salvadoran authorities' submissiveness to the U.S. Government, which has imposed the plan without debate.

El Salvador's reward for the total acceptance of the military plan is the promise of U.S. economic aid that President Ronald Reagan is trying to obtain from Congress. The so-called U.S. political-military strategy for Central America will be implemented if Reagan is reelected. He has said that he needs another term to implement his warmongering ideas in the region.

Military, Economic Agreements

PA240225 Havana International Service in Spanish 2310 GMT 23 Jul 84

["Our America" commentary]

[Text] A few days ago, General Paul Gorman, commander in chief of the U.S. Southern Command, accompanied General John Vessey, chairman of the U.S. Joint Chiefs of Staff, on his trip to Honduras and El Salvador. One of the objectives of this trip was to discuss, with the Honduran Government, the possible review of military and economic agreements signed with the United States. At least, this is what was reported. From February 1983 the United States and Honduras have jointly held the "Big Pine 1," "Big Pine 2," and "Grenadier 1" maneuvers in Honduras, which mean the presence of thousands of U.S. soldiers in the region. Gen Gorman has played an important role during these gigantic military mobilizations in Central America because hundreds of tons of weapons and ammunition have been sent from Southern Command Army bases in Panama to Honduras. This logistical support has not only been aimed at the Honduran Armed Forces, but has been of fundamental importance for counterrevolutionary groups that attack Nicaragua from Honduras. According to press reports, in the talks between the U.S. military delegation and Honduran officials they discussed Honduras' demands for an increase in U.S. economic aid, which bears no proportion to that of military aid. Nothing was said about the results of these talks. However, the announcement of new joint military maneuvers with the participation of Honduran and U.S. troops indicate the topics discussed at the talks.

Shortly after the top-level military delegation concluded its visit to Honduras and El Salvador, the U.S. aircraft carrier Kennedy and other Navy ships arrived on Honduran coasts to carry out naval and air maneuvers in the days to follow. The Kennedy arrived in Honduras with 70 jets and a number of helicopter gunships.

General Walter Lopez, commander of the Honduran Armed Forces, accompanied by other military officers from his country and Guatemala, visited the U.S. aircraft carrier with U.S. Ambassador John Negroponte. Lopez said that he was pleased about the arrival of the U.S. Navy ships. Negroponte noted that new U.S. warships will arrive in the next few days and remain in the region for an undetermined period of time. This is an extremely serious action in view of the delicate situation existing in Central America. It is even more serious because it occurs at a time when armed clashes are being reported between Honduran soldiers and Salvadoran guerrillas in Salvadoran regions on the border with Honduras.

A few days ago Radio Venceremos, the official mouthpiece of the FMLN, accused Honduras of making incursions -- to support Jose Napoleon Duarte's regime -- into Morazan Department and other border regions. In addition, more Honduran troops concentrated on the Colomoncagua military base, near the border with El Salvador, where a camp of Salvadoran refugees, who fled repression in their country, is located. The actions by Honduran troops on the border with El Salvador are brazenly provocative and their seriousness stems from the fact that these operations are included in the plans drafted by the Pentagon and the CIA to intervene in Central America militarily.

U.S.-HONDURAN COUNTERINSURGENCY MANEUVERS SCHEDULED

'Operation Lempira'

FL231540 Havana Domestic Service in Spanish 1000 GMT 23 Jul 84

[Text] The U.S. and Honduran Armies will today begin the first of a series of joint military counterinsurgency maneuvers near El Salvador's border. A statement issued by the Honduran Armed Forces states that the maneuver, named "Operation Lempira," will continue until 5 August. The Honduran 10th Infantry Battalion, based in Marcala City, La Paz Province will take part in the maneuvers along with the U.S. Air Transport special forces, from the Panama-based Fuerte Command [Commando Fuerte]. The two countries' Armies have over the last months conducted several war exercises, in which more than 20,000 U.S. soldiers have participated; each time closer to El Salvador's and Nicaragua's borders.

Further Report

FA232132 Havana International Service in Spanish 1600 GMT 23 Jul 84

[Text] Honduran and U.S. troops will begin a counterinsurgency exercise today that is part of series of maneuvers to end on 5 August, a Honduran Armed Forces press release reported. "Operation Lempira" will be staged in Honduras' Comayagua and La Paz Departments. The latter is on the El Salvador border. U.S. special airborne troops of the Fuerte Command stationed in the Panama Canal area and Honduras' 10th Infantry Battalion will participate in the joint maneuvers. The drill includes paratrooper exercises and the deployment of air forces on the Marcala military base, in La Paz.

CUBAN ENTERPRISES PARTICIPATE IN JAPAN TRADE SHOW

FL232044 Havana Domestic Service in Spanish 1800 GMT 23 Jul 84

[Text] A delegation from the Cuba-Kobe Economic Section arrived in this Japanese city today to attend a Cuban trade show that will be inaugurated on 27 July in the Kobe Trade Promotion Center. Various Cuban enterprises that trade with Japanese firms in Kobe organized the bilateral Economic Section last year to promote trade. The Cuban delegation now in the Japanese city of Kobe today began to set up the show. A visit by the representatives of the Cuban enterprises to the Chamber of Commerce of the Japanese city of Kobe and a visit to a company that trades with Cuba have been announced for tomorrow. The Kobe International Association works to strengthen economic relations and trade with Cuba.

FRONT LINE DEFENSE MINISTERS MEET IN ANGOLA

PA231940 Havana International Service in Spanish 0000 GMT 23 Jul 84

[Text] Defense and security ministers of the Front Line countries took part in a meeting in the Angolan capital, demanding that South African troops leave Angola and Namibia and that UN Resolution No 435 on Namibian independence be respected. Namibia is currently illegally occupied by the Pretoria government. The participants at the meeting issued a final document condemning South Africa's destabilizing policies and expressing satisfaction over the victories obtained by the South African and Namibian liberation movements. The document also notes the improved defense capabilities of each of the Front Line nations -- Angola, Mozambique, Tanzania, Zambia, Bothswana, and Zimbabwe.

FDR'S UNGO COMMENTS ON SANDINIST REVOLUTION

PA230336 Havana International Service in Spanish 0000 GMT 23 Jul 84

[Guillermo Ungo, president of the Revolutionary Democratic Front (FDR) of El Salvador, interviewed by Pedro Martinez Pirez in Managua; date not given -- recorded]

[Text] [Martinez] What meaning does the fifth anniversary of the Sandinist revolution have for the Salvadoran people?

[Ungo] First, it gives us great satisfaction and joy to be present and to be a witness to the Nicaraguan people's firmness and devotion in their struggle to consolidate the Nicaraguan revolutionary process. Second, it is an example which proves that a revolution is a permanent and difficult task always threatened by local and powerful foreign enemies, mainly U.S. imperialism which moves its pawns and pieces, comprised mostly of persons without a country. It has also taught us that the people's will will always prevail and will keep advancing.

There is something I would like to explain: The Salvadoran people's struggle did not begin with the victory of the Sandinist revolution. However, I will admit that it has given us new and better ways to struggle based on its achievements and mistakes. We must remember that our struggle has been going on for a long time, for decades. The people have made steady gains through various means and methods that are now very important, but obtained at a great cost and with bloodshed. In summary, I would say that this is a time to pause, a time to think things over and to strengthen our fighting spirit and confidence in the Salvadoran people's victory.

[Martinez] Although as you say the Salvadoran struggle has been going on for many decades just as the Nicaraguan, the United States insists, as it did on occasion of the fifth anniversary of the Sandinist revolution, pointing out that Nicaragua and Cuba are supplying arms to the Salvadoran people. How do you view this?

[Ungo] It is not just a false statement, it is malicious, deliberatedly malicious and aimed at making our struggle part of the East-West conflict and giving other factors as our struggle's motives. In this respect, we can say that independent of the vast international support we have received and continue to receive from the peoples of the world, our support mainly comes from the people rather than from political leaders and governments.

We are carrying out this struggle with our own resources and our people's blood. I do not think that imperialism really believes what it says and if it does, too bad. It would be to our advantage for imperialism to hold false beliefs. This is one of the reasons that imperialism has lost and failed in different parts of the world where it has participated such as in Vietnam, Iran, Nicaragua and Cuba: Mainly because it has made the big mistake of not acknowledging and accepting the real causes and main factors promoting such struggles.

SALVADORAN PRESIDENT CUTS SHORT VISIT TO LISBON

PA222359 Havana International Service in Spanish 1800 GMT 22 Jul 84

[Text] Salvadoran President Jose Napoleon Duarte has cut short his visit to Lisbon and left for Washington after giving rise to many statements of repudiation in the Portuguese capital. Duarte's trip, at the invitation of Prime Minister Mario Soares, was described as an insult to the Portugal of April and an embarrassment to the nation.

According to reports, a luncheon meeting scheduled for Sunday between Duarte and Portuguese President Ramalho Eanes was canceled and Eanes accorded Duarte cool protocol treatment. The Portuguese media stressed the irritiation in social circles caused by the lack of knowledge about the country displayed by Duarte who called the prime minister president Soares several times.

However, the most bizarre statement made by the Salvadoran head of state in Lisbon was his assertion that Colonel Adolfo Blandon, chief of general staff of the Salvadoran Army, is the one who guarantees respect for human rights in that Central American country. Duarte will meet with President Ronald Reagan in Washington.

SALVADORAN GROUP SEEKS ACTION ON 'MASSACRE'

PA222006 Havana International Service in Spanish 1600 GMT 21 Jul 84

[Text] The National Association of Salvadoran Indians, ANIS, has accused Salvadoran President Jose Napoleon Duarte of turning a dear ear to its demands that those who are responsible for the slaughter of 74 peasants in Sonsonate Department in February 1983 be tried. ANIS leaders said at a press conference that Colonel (Elmer Araujo) and Captain (Salvador Figueroa), the officers who ordered the massacre, are still members of the Army staff and that no legal action has been taken against them. They added that only 3 of the 10 soldiers who did the killing are under arrest, while the other 7 remains in Sonsonate, threatening the victims' relatives in order to prevent them from seeking justice. Other reports note that FMLN sappers blew up three high tension towers in El Guayabal sector of Cabanas Department.

COSTA RICA'S MONGE ON STATUS OF NICARAGUA TIES

PA230018 Havana International Service in Spanish 0000 GMT 22 Jul 84

[Text] Costa Rican President Luis Alberto Monge said in San Jose that he does not go along with the idea of severing diplomatic relations with Nicaragua, as local businessmen have requested. The businessmen, who recently gave Monge a reception, have asked some government officials to resign. They have also asked the authorities to assume a hard-line policy against groups opposed to the government's economic policy. The businessmen have given Monge 1 month to make a decision.

ARCE ON NICARAGUA CHURCH OFFICIALS ATTITUDE

PA222209 Havana International Service in Spanish 0000 GMT 22 Jul 84

[Text] Commander Bayardo Arce, coordinator of the FSLN Political Committee, said in Managua that the attitude of Nicaragua church officials is close to that of U.S. aggressive policy. In statements to the newspaper BARRICADA in Managua, the Sandinist leader said that the church officials' reactionary attitude is not only due to their conservative views, but also to their personality and to the fact that the United States is trying to lure church officials and groups to serve its own interests.

Meanwhile, the Nicaraguan Embassy to the Holy See issued a communique in which it stated that the 10 foreign priests were not expelled because they are clergymen, but because they were participating in unlawful activities. The communique explains that Nicaraguan priests are not barred from participating in political activities, but that foreigners, whether or not they are priests, do not have the same right. Finally, the Nicaraguan Embassy reiterates that the Nicaraguan Government would like to eliminate the existing divisions and misunderstandings and is willing to participate in a dialogue for a genuine reconciliation among all Nicaraguans.

NICARAGUAN PLI CANDIDATES NAMED FOR ELECTIONS

PA232302 Havana International Service in Spanish 1800 GMT 23 Jul 84

[Text] Nicaragua's Independent Liberal Party [PLI] has proclaimed Virgilio Godoy Reyes and Constantino Pereira as its presidential and vice presidential candidates, respectively, for the November elections. According to reports, the meeting in which they were nominated was characterized by a sharp division between the PLI's reactionary sector headed by Godoy Reyes and the progressive sector headed by Rodolfo Robelo, member of the Nicaraguan Supreme Court. Almost half of the 100 party members who attended the meeting withdrew because of impositions by the leadership, which is controlled by the rightist group.

CANA REPORTS 'THIRD BIGGEST' SUGAR HARVEST

FL231104 Bridgetown CANA in English 2350 GMT 21 Jul 84

[Text] Bridgetown, Barbados, 21 July, CANA -- Cuba's 1983-84 sugar harvest which ended last month has produced more than eight million tonnes. Deputy Sugar Minister Amadeo Blanco said this was Cuba's third biggest harvest, although production fell short of the official target of more than 8.5 million tonnes. Cuba's biggest harvest was 8.6 million tonnes in 1969-70. Sugar is Cuba's biggest export product and the annual harvest is a vital economic indicator.

PEOPLE'S GOVERNMENT MEETING HELD IN NUEVA GERONA

FL211630 Havana Domestic Service in Spanish 1412 GMT 21 Jul 84

[Text] At 0900 today, the first session of the Fourth Legislature of the Nueva Gerona Municipal Assembly of the People's Government began in the Victoria Theater, Nueva Gerona, a special municipality on the Isle of Youth. During the session, the reports of the economic affairs committee on the proposed plan and budget for 1985 will be studied. In this first session, the special participation of the Central Organization of Cuban Trade Unions, CTC, has been scheduled in relation to the figures proposed in the plan and budget for the municipal work centers.

The delegates to the first session of the Fourth Legislature of the Municipal Assembly of the People's Government on the Isle of Youth will approve the working committees and the proposal of a professional delegate and another of a different nature for the towns of La Fe and La Demajagua, respectively.

DIVISION GENERAL PRESIDES OVER FAR GRADUATION

FL210120 Havana Television Service in Spanish 0000 GMT 21 Jul 84

[Excerpt] Division General Ulises Rosales del Toro, Central Committee member, Revolutionary Armed Forces FAR first vice minister, and Chief of the General Staff, has presided over the commencement ceremony for a large contingent of FAR officers who have finished various courses which will permit them to assume a higher command. The ceremony took place at the FAR's General Maximo Gomez Academy.

PREPARATIONS MADE FOR DEFENSE DAY OBSERVANCES

Matanzas Schedules

FL211600 Havana Domestic Service in Spanish 1410 GMT 21 Jul 84

[Text] As on prior occasions and in preparation for "Amistad-Giron 84," the inhabitants of the 14 municipalities in Matanzas will begin early tomorrow morning to carry out the activities of Defense Day. The most outstanding of the scheduled activities are those of the defense zones related to the organization of the functions of their councils, the individual and collective responsibilities of their members, and their relations with their supervisory organization. Matanzas civil defense organizations will also carry out numerous activities related to the protection of the people and the economy, with the goal of creating and perfecting security habits in all of its members. Tomorrow, which is Defense Day in Matanzas Province, training and practical instruction will be given to the entire population and especially to Armed Forces personnel.

FAR Participates

FL231350 Havana Domestic Service in Spanish 1045 GMT 23 Jul 84

[Text] A group of Revolutionary Armed Forces, FAR, chiefs and officers yesterday took part in activities held for Havana's Defense Day. The FAR representation, headed by Division General Ulises Rosales del Toro, Central Committee member, FAR first vice minister, and Chief of the General Staff, worked on the construction of a fortified building for the Punta Brava Infant Circle, in Lasita Municipality.

Also attending the work project were FAR vice ministers, chiefs of directorates of the MINFAR Ministro of the Revolutionary Armed Forces MINFAR party and municipal peoples government leaders, and neighbors of this locality.

Also in Punta Brava yesterday, construction began on fortification work projects at the all day primary school and basic secondary school. When the new school year starts, the secondary school students will work on the project in their free time.

At present, throughout the country a movement is underway to make Cuba prepared for defense, in salute of 2 December, FAR Day.

'Victoria 84' Exercise

FL240044 Havana Domestic Service in Spanish 2300 GMT 23 Jul 84

[Text] The "Victoria 84" civil defense training exercise held for the workers of the Havana Cereal Combine was held today with magnificent results under the direction of the combine director Pedro Luis (Hover) Dominguez.

Similar exercises have been held in Havana City Province and will continue to be held in all our country's economic targets. The exercises are held to train workers adequately on air raid alarms and protective measures to be taken in the event of a surprise air attack. The discipline and the precision with which all the combine's workers took the protective measures established for these cases can be described as satisfactory.

ENERGY CONSERVATION MEETING HELD IN HAVANA

FL232338 Havana Domestic Service in Spanish 2130 GMT 23 Jul 84

[Excerpt] Julio Camacho Aguilera, Politburo member and first secretary of the party Executive Bureau in the City of Havana Province, has presided in our capital the working assembly of the Provincial Energy Conservation Committee for the first semester of 1984.

Joel Domenech, Central Committee member and vice president of the Council of Ministers, and Nobel Zubiaur Mir, Central Committee member and secretary general of the Havana Central Organization of Cuban Trade Unions, were present at the meeting. In the report presented by Jose Ramon Perez Valdivia, president of the provincial Energy Conservation Committee, it was confirmed that the Martinez Prieto Sugar Mill had an excess consumption of 2,490 [words indistinct] of fuel oil during this semester.

CARICOM SECRETARY GENERAL ON REGIONAL TRADE

FL232128 Bridgetown CANA in English 1738 GMT 23 Jul 84

[Text] Roseau, Dominica, July 23, CANA -- Secretary General of the Caribbean Community (Caricom) Roderick Rainford says that by the end of the year there should be tangible evidence of efforts to increase intra-regional trade. Rainford told reporters here that the Guyana-based Caricom Secretariat was mounting a programme of technical work in close collaboration with the Organisation of Eastern Caribbean States' (OECS) Secretariat and relevant technocrats at the national level in the member states to get trade on the move.

"The objective being at the end of the year we should start seeing and registering some very, very tangible movements towards increasing intra-regional trade," he said yesterday. But he cautioned that it was imperative that the region address itself to the serious trade issues and turn it around in the opposite direction; this is the kind of bench mark against which we are looking for some tangible results by the end of the year."

Rainford said that the just concluded heads of government conference in the Bahamas was a "fitting climax to the concentrated focus and attention given to intra-regional trade by the region over the past 12 months." He said: "Every effort has to be made to increase the extent of intra-regional procurement... and to this and every focus, attention, and study will have to be given on the question of product areas."

Trade among Caricom states declined by 13.3 per cent last year. The Nassau summit agreed on a number of measures designed to facilitate an expansion. One is the resuscitation of the Caricom Multilateral Clearing Facility (CMCF) -- a trade payments scheme -- and Rainford said the technical committee appointed by the heads will be holding its first meeting next month. The committee, comprising Central Bank officials and officials from finance ministries, is to develop and present specific proposals for the discharge of indebtedness to the facility, which collapsed after several states announced that they were not in a position to repay the credit given for buying goods.

Rainford said a critical aspect of revitalising the facility or "a CMCF-type mechanism operation in the short term" will be the shaping of new rules under which a resumed CMCF will operate. He said the rules would be "much more vigorous" and that the CMCF or CMCF-type mechanism would be back in operation by the time we are talking to aid donors about further support."

Rainford left open the possibility that the International Monetary Fund (IMF) may play a crucial role in providing extra-regional assistance in establishing a fund to support the facility. Asked whether the IMF was one of the donors being looked at by member states with regards to financing the facility, he replied: "The field is wide open."

"A lot is going to depend on how the situation unfolds as we go along, how we formulate the problems that are to be made, and how we assess the probable and also actual reaction of various possible donors. So it is something we will play by ear as the situation unfolds," he added.

Rainford said the Secretariat would be carrying out an assessment of the benefits various Caribbean islands will have received under Washington's Caribbean Basin Initiative (CBI). He said: "What is now going to be needed is a very close look as to what has been the experience... an assessment in the future will have to be made as to what the experience has been and what steps or measures the countries participating in it can collectively or individually formulate to propose the improvement of the mechanism." He said that many Caribbean countries have accepted the CBI "in the expectation that CBI would produce some additional increment of benefit to them in terms of development."

BARBADOS

ADAMS MAY TAKE ELECTION DISPUTE TO COURT

FL231444 Bridgetown CANA in English 1727 GMT 21 Jul 84

[Text] Bridgetown, Barbados, July 21, CANA -- Prime Minister Tom Adams, whose ruling Barbados Labour Party (BLP) today lost a hard-fought by-election by a single vote, says the BLP may take the issue to court. Adams comments to newsmen came less than two hours after a marathon recount, following an apparent tie, gave the northern Barbados seat to head teacher Sybil Leacock, 55, of the opposition Democratic Labour Party (DLP). She polled 2,765 votes.

Adams said the returning officer had disallowed about eight votes which could have gone to BLP candidate Owen Arthur, a 32-year-old economist. In two cases, Adams said electors actually wrote their names on the ballot paper and in the other six instances the "x" either touched a line or was written above it. The prime minister said the electoral officer had on the other hand allowed a vote for Mrs Leacock with the elector's national identification number written on the ballot paper.

Said Adams, "these are technical matters, and at this stage we can't decide it, the returning officer can't decide it. It would be a matter for the court... but whatever happens I'm not suggesting that it was other than a very close run thing and one which, in the interest of fairness, might better be committed again to the people."

The July 19 poll -- the first since Barbados' last general elections in 1981 -- was occasioned by the resignation from Parliament May 22 of ailing Speaker Burton Hinds of the BLP. At the end of the first count unofficial figures gave the two main candidates both 2,766 votes. The three independents in the race wound up with a total of 81 votes.

Prime Minister Adams said the returning officer had promised a (third) recount of a box in which the BLP had disputed a Leacock vote, but the official later said that "because three candidates (out of five) objected, he wasn't going to recount it."

"These are all among the issues which are very technical indeed and which we are addressing," Adams added.

The St Peter seat has been held by the BLP for 40 years. Mrs Leacock had failed to secure it in the two previous general elections. Arthur was a first timer.

FIRST QUARTER UNEMPLOYMENT RATE 15.7 PERCENT

FL201840 Bridgetown BARBADOS ADVOCATE in English 16 Jul 84 p 1

[Text] An additional 2,400 Barbadians found jobs between the end of last year and March 31 this year, according to the Central Bank of Barbados' latest statistical report. An estimated 1,400 more women and 1,000 more men were employed between the final three months of 1983 and the first three months of the year, the bank said.

The financial institution estimated the number of persons working between October and December last year at 93,000 with the figure rising to 95,400 by last March 31. The number of working women was up from 39,700 to 41,100 and the number of men from 53,300 to 54,300.

The bank gave no explanation for the hike in employment, but the period it reviewed took in the start of the sugar cane harvest and also saw a more dynamic marketing thrust by the island's manufacturers, worried about the contraction of the Caribbean Community (Caricom) market.

However, the employment picture was not all rosy, since the bank reported that in the first quarter of 1983 more Barbadians had been employed. In the June edition of its monthly publication, "Economic and Financial Statistics," the bank put the number of employed during January, February and March 1983 at 96,900 or 1,500 more than the January-March 1984 figure. Employment in both male and female categories was down from the figures for the first quarter of 1983, when the number of working men was put at 54,600 and the number of women at 42,300.

The statistics revealed a slight rise in the island's total adult population, from 175,000 in the first quarter of 1983 to 176,500 in the corresponding period this year. The total labour force, the number of persons 15 years old and over who are gainfully employed or who were seeking employment, fell from 113,500 last year to 113,200 for January-March this year.

The bank put the unemployment rate for the first quarter of this year at 15.7 per cent, slightly down on the 15.8 per cent of the final quarter of 1983, but above the 14.6 per cent of the 1983 first quarter.

The bank gave employment statistics for as far back as 1975. Figures for some quarters were not available, but the statistics showed some 104,100 people, the highest number, holding down jobs in the first three months of 1981. This would mean that between March 31, 1981 and March 31, 1984 the number of workers here contracted by 8,700.

TRINIDAD AND TOBAGOS

ECONOMIC COOPERATION TALKS OPEN WITH PRC

FL232110 Bridgetown CANA in English 2048 GMT 23 Jul 84

[Text] Port-of-Spain, Trinidad, July 23, CANA -- Top level talks on trade and economic co-operation opened here today between officials from China and Trinidad and Tobago, which is seeking to redress its trade imbalance with the Asian giant.

Industry Minister Desmond Cartey told the visitors that this country had imported nine million dollars (one TT dollar; 41 cents U.S.) in goods from China in 1982 while figures for the first six months of last year indicated imports would exceed the 1982 figure. These comprise largely live animals, vegetable oils and fats, and chemically manufactured goods. "Conversely, Trinidad and Tobago's exports to China are virtually non-existent," said Cartey.

Cartey felt the trade imbalance could be redressed by China's importation of Trinidad and Tobago goods "which we produce in quantities which we feel confident can in some way satisfy your needs." Among these products, the minister specifically listed asphalt which he said was "ideally suited" for mixing with China's bitumen for use in that country's broad-building programme. Cartey also mentioned wire rods produced here and fertilizers as products which he felt Trinidad and Tobago could supply China.

According to him, Trinidad and Tobago was also interested in joint venture operations with China, "notwithstanding the diversity in size and the distance between our two countries," with special reference to the development of agricultural machinery here.

Chinese delegation leader Jia Shi, vice minister of the Ministry of Foreign Economic Relations and Trade, said his country attached "great importance" to the development of relations with Trinidad and Tobago in the context of traditional links through their peoples and South-South economic cooperation.

Shi, who leads a nine-member delegation, is the highest ranking Chinese Government official to visit this country. He pointed to the constraints of distance and high freight costs that affect trade between the two countries but felt that with some "positive measures" China could encourage its relevant corporations to buy Trinidad and Tobago's wire rods and urea (a form of fertilizer). "We hope (officials) can conclude a transaction, and the two sides may propose some other commodities needed by each other," he said.

He noted that China's guidling principle was to "open, not to close" its doors to the outside world in its thrust to step up economic development while strengthening ties with friendly countries. "We will make still greater efforts to promote such development with friendly countries," said Shi, "keeping to the principle of "equality and mutual benefit, stress on practical results, diversity in form, and common progress. This is our basic policy on economy and trade."

The Chinese delegation will spend three days here visiting industrial sites and holding talks with government ministers and officials.

BURNHAM MEETS WITH BOUTERSE, GHANA'S RAWLINGS

FL231436 Bridgetown CANA in English 2310 GMT 21 Jul 84

[Text] Georgetown, Guyana, July 21, CANA -- Guyana's President Forbes Burnham says he will pay a visit to neighbouring Suriname at a date convenient to him.

The invitation was extended by Suriname's military leader, Lieutenant Colonel Desi Bouterse, who met Burnham for 90 minutes Wednesday during a stopover here en route to Nicaragua. Burnham said the talks, which he described as "friendly, useful, and promising," centered on fostering greater cooperation between Guyana and Suriname.

The Guyana president also met Ghanian leader Flight Lieutenant Jerry Rawlings who also passed through Guyana on his way to Nicaragua to attend this week's celebrations marking the fifth anniversary of the Nicaragua's marxist revolution. Burnham said his talks with Rawlings centered on Third World issues.

Rawlings will return here for two days later this month for continuation of the discussions, he added.

GWU SECRETARY GENERAL SINCLAIR DISMISSED

FL211930 Bridgetown CANA in English 2216 GMT 20 Jul 84

[Text] Georgetown, Guyana, July 20, CANA -- The General Workers Union (GWU) which has a membership of 1,500 mainly in the rice industry and in the state-run Guyana transport services, has dismissed its General Secretary Aldwyn Sinclair.

Acting president of the union Norise Witter, who announced the dismissal, said the union's treasurer, Ferdinand Vieira, was relieved of his post one month ago. "Sinclair was removed from the post on the basis of proven negligence," the acting president said.

FREEDOM DAY HOLIDAY CHANGED TO 1 AUGUST

FL211936 Bridgetown CANA in English 2222 GMT 20 Jul 84

[Text] Georgetown, Guyana, July 20, CANA -- Guyanese will no longer be celebrating Freedom Day on the first Monday in August, the Ministry of Home Affairs announced. August 1 will now be declared the new national holiday to coincide with celebrations commemorating the abolition of slavery 150 years ago.

Secretary of the national commission coordinating the celebrations, Vibert Cambridge, said the change "is necessary in order to maintain historical authenticity throughout the next four years of the celebration."